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INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

HEARINGS

BEFORE THE

SPECIAL COMMITTEE TO INVESTIGATE ORGANIZED CRIME IN INTERSTATE COMMERCE UNITED STATES SENATE EIGHTY-SECOND CONGRESS

FIRST SESSION

PURSUANT TO

S. Res. 202
(81st Congress)

AND

S. Res. 129
(82d Congress)

A RESOLUTION AUTHORIZING AN INVESTIGATION OF
ORGANIZED CRIME IN INTERSTATE COMMERCE

PART 17

JULY 2, 9, 18; AUGUST 8, 9, 17, 1951

MARYLAND AND DISTRICT OF COLUMBIA

Printed for the use of the Special Committee To Investigate
Organized Crime in Interstate Commerce



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SPECIAL COMMITTEE TO INVESTIGATE ORGANIZED CRIME IN
INTERSTATE COMMERCE

(Pursuant to S. Res. 202, 81st Cong.)

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LESTER C. HUNT, Wyoming

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ESTES KEFAUVER, Tennessee

ALEXANDER WILEY, Wisconsin

RICHARD MOSER, *Chief Counsel*

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INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

MONDAY, JULY 2, 1951

UNITED STATES SENATE,
SPECIAL COMMITTEE TO INVESTIGATE ORGANIZED
CRIME IN INTERSTATE COMMERCE,
Washington, D. C.

EXECUTIVE SESSION

The committee met, pursuant to call, at 10:15 a. m., in room P-36, the Capitol, Senator Lester C. Hunt presiding.

Present: Senators O'Connor (chairman), Hunt, (presiding), Tobey and Wiley.

Also present: Richard J. Moser, chief counsel; Downey Rice, associate counsel; Murray Jackson, Thomas S. Smith, investigators; James Hepbron, administrative assistant; Wallace Reidt, assistant counsel.

Senator HUNT. The committee will come to order.

This is a meeting of a subcommittee of the Senate Special Crime Committee, as authorized by the full committee.

The first witness this morning is William Adams.

Mr. Adams, if you will stand, please, and be sworn?

Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. ADAMS. I do.

Senator HUNT. Counsel, would you be kind enough to announce your name?

Mr. ROGAN. Senator Hunt, Mr. J. Francis Ford, my associate, and myself, Mr. Joseph H. R. Rogan, are members of the Baltimore bar with offices at 206 Davison Chemical Building, Baltimore.

We have been asked by our client, whom we have represented for the past 10 or 12 years, upon the receipt of the subpoena, to accompany him here today. It is his purpose to give the committee any and all information within his knowledge in accordance with Senate Resolution 202 concerning organized crime in interstate commerce.

He has, as a matter of fact, frankly discussed with two investigators in the employ of this committee in my office on June 21 over a period of 2 hours, his historical background and any other information that he had.

He desires to fully cooperate. Our only purpose in being here is to suggest to the committee that there may be certain questions asked of him, for instance, in connection with his income-tax returns, or his

business, when, at this time, there is an active investigation of his tax returns as late as June 21, and he was with the investigators on the day he had an appointment to again discuss the matter of income taxes.

With that possible exception, insofar as some testimony that might be given, or records that might be tendered, which might tend to incriminate him, otherwise he wants to fully cooperate.

Senator HUNT. Thank you very kindly. You will be at liberty to advise your client any time you wish.

Mr. ROGAN. Thank you.

Senator HUNT. Counsel, will you proceed with the questioning.

TESTIMONY OF WILLIAM L. ADAMS, BALTIMORE, MD., ACCOMPANIED BY JOSEPH H. A. ROGAN AND J. FRANCIS FORD, ATTORNEYS, BALTIMORE, MD.

Mr. RICE. Will you state your name?

Mr. ADAMS. William Adams.

Mr. RICE. And do you have an initial?

Mr. ADAMS. L.

Mr. RICE. What does that stand for?

Mr. ADAMS. Lloyd.

Mr. RICE. Have you been known by any other names?

Mr. ADAMS. They call me Willie.

Mr. RICE. Do they call you Little Willie?

Mr. ADAMS. That is right.

Mr. RICE. Where do you live?

Mr. ADAMS. 3103 Carlisle Avenue.

Mr. RICE. Is that an apartment house?

Mr. ADAMS. No, sir; it is a private home.

Mr. RICE. Do you have any other homes?

Mr. ADAMS. No, sir.

Mr. RICE. Are you appearing here in response to a subpoena?

Mr. ADAMS. Yes, sir.

Mr. RICE. And did the subpoena call for certain books and records?

Mr. ADAMS. Yes, sir.

Mr. RICE. Have you produced those records?

Mr. ADAMS. Those were the records that we discussed the day when I was in Mr. Rogan's office with the two agents. I had my records, but being investigated by Internal Revenue at the present time, I did not turn the records over to them for that reason.

Mr. RICE. You say you are investigated by the Internal Revenue. What is the nature of that investigation?

Mr. ADAMS. General investigation of my income taxes.

Mr. RICE. Who is doing that?

Mr. ADAMS. I think a Mr. Kerr.

Mr. RICE. Mr. Kerr?

Mr. ADAMS. Yes, sir.

Mr. RICE. He has a general investigation under way of your income tax?

Mr. ADAMS. Yes.

Mr. RICE. For what years is he interested in?

Mr. ADAMS. I think 1947, 1948, and 1949.

Mr. RICE. For the year 1950, do you have your copy of your Federal income-tax return?

Mr. ADAMS. I do not have any with me. I have one, at least my lawyer has one of my tax returns—my tax accountants.

Mr. RICE. Which lawyer are you talking about?

Mr. ADAMS. Mr. Moss. M-o-s-s. He fills out my tax returns.

Mr. ROGAN. We have a copy, Mr. Rice.

Mr. RICE. Let the record indicate that Senator O'Connor came into the meeting.

(Senator O'Connor joined the hearing.)

Mr. RICE. The subpoena called for the production of copies of your Federal tax returns from 1940 to date. Now, specifically referring to 1950, what is your position about complying with that provision of the subpoena? Have you brought that with you?

Mr. ADAMS. No, sir.

Mr. RICE. You haven't brought that?

Mr. ADAMS. No, sir.

Mr. RICE. What is the reason for that?

Mr. ROGAN. Mr. Rice, in that connection——

Senator HUNT. So that we won't get into any colloquy across the table, I have always taken the position as chairman that counsel here is present through the courtesy of the Senate committee and the participation of the counsel is limited to the advice that he gives to his client. So, if you have any advice to give your client, we will be happy to have you do so; otherwise, we get into discussions here, legal technicalities and arguments, that take all day.

Mr. ADAMS. That is my 1950 return is in connection with my tax investigation and that is the reason I would not produce those, in fear that it might incriminate me.

Mr. RICE. You just indicated a minute ago that the investigation was up to the year 1949. Are you making that to include 1950?

Mr. ADAMS. Mr. Kerr stated at the time that this was a thorough investigation and they started as around the first of the year and my 1950 return wasn't in at that time. So it seems that they will probably come back now after my 1950 return.

Mr. RICE. You are guessing now, then, in other words?

Mr. ADAMS. He said they were going to check me through all the way.

Mr. RICE. What is your answer? Wasn't your answer a few minutes ago 1946 through 1949? Was that wrong?

Mr. ADAMS. You asked me what years they were checking. That's 1947, 1948, 1949, but they started as of January.

Mr. RICE. Of what year?

Mr. ADAMS. Of this year.

Mr. RICE. This is 1951.

Mr. ADAMS. My 1950 return was not filed until April, I think, because we had a 30-day extension, which makes it April 15.

Mr. RICE. Do you have specific information that your 1950 returns are under investigation?

Mr. ADAMS. He said it was a thorough investigation.

Mr. RICE. He said it was a thorough investigation, but he previously told you it was for the years '47, '48, and '49, didn't he?

Mr. ADAMS. He didn't say particularly at that time. He asked me for the records at that time. He came to my office and worked there

quite some time on '47, '48, '49, and my returns before that had been checked up to '46.

Mr. RICE. Had they checked your records for the year 1950? Have they called for your books and records?

Mr. ADAMS. No, sir.

Mr. RICE. As a matter of fact, you don't know whether you are under investigation for the year 1950, do you?

Mr. ADAMS. No more than he said it was a general check-up all the way, and from that I would believe that they would go after my taxes being filed for 1950.

Mr. RICE. Let's see about 1945. Did you bring your copy of the Federal tax return for the year 1945?

Mr. ADAMS. No, sir.

Mr. RICE. Why not?

Mr. ADAMS. Seeing that it was a general check-up, I imagined that they would even go back to as far as that up to the present.

Mr. RICE. In connection with that check-up, do you feel that check-up is a reason why you should not produce your Federal tax return for the year 1950 before this committee?

Mr. ADAMS. Yes, I do.

Mr. RICE. You think that is a reason?

Mr. ADAMS. Yes, sir.

Mr. RICE. I am going to ask the Chair to direct the witness to produce his copies of the Federal tax returns for the year 1950. Will you comply with that directive?

Mr. ADAMS. No, sir.

Mr. RICE. On what grounds?

Mr. ADAMS. For fear that it might incriminate me.

Mr. RICE. Incriminate you?

Mr. ADAMS. Yes, sir.

Mr. RICE. Do you think that production of your tax return for the year 1950 may incriminate you?

Mr. ADAMS. Yes, sir.

Mr. RICE. Do you feel it will incriminate you of a Federal or State offense?

Mr. ADAMS. Federal offense.

Mr. RICE. And do you have a specific offense in mind?

Mr. ADAMS. Evasion of income tax.

Mr. RICE. Evasion of income tax? So you are worried about incrimination under the income-tax provisions?

Mr. ADAMS. Yes.

Mr. RICE. Are you under indictment?

Mr. ADAMS. No, sir.

Mr. RICE. How about the year 1942? Have you produced your tax return for the year 1942?

Mr. ADAMS. No, sir.

Mr. RICE. On what ground?

Mr. ADAMS. Same reason.

Mr. RICE. Have you ever heard of the statute of limitations?

Mr. ADAMS. I have heard of it, but I do not understand it.

Mr. RICE. You do not understand it. Perhaps counsel could help you with the statute of limitations.

Can you help him with his answer as to why he has not produced the return for 1942? Would you be good enough, Mr. Rogan, to advise him on that?

Mr. ROGAN. Mr. Rice, is there any limitation insofar as criminal prosecution is concerned?

Mr. RICE. Yes. It is 6 years.

Mr. ROGAN. How about fraud?

Mr. RICE. Six years.

Mr. ROGAN. I do not know whether I can agree with you on that, Mr. Rice.

Mr. RICE. That is entirely up to you. I am asking you if you would like to advise him.

Do you take the position that your failure to produce your returns for 1942 is because it might incriminate you?

Mr. ADAMS. Yes, sir.

Mr. RICE. And in connection with that, you fear prosecution for the Federal offense of tax evasion?

Mr. ADAMS. Yes, sir.

Mr. RICE. Now, sir, do you own an apartment building?

Before we leave that, I would like to ask the Chair to direct that the witness produce a copy of his Federal income tax return for 1942.

Senator HUNT. Would the counsel indicate a limiting date?

Mr. RICE. Covering the year 1942.

Senator HUNT. For the time that they are given to present it to the committee? By what time do you want those produced? Tomorrow or a week from tomorrow?

Mr. RICE. How long will that take you, Mr. Adams, to produce that?

Mr. ADAMS. I refuse to produce them for fear it may incriminate me.

Mr. RICE. Within a week, Senator.

Senator HUNT. The committee, through the chairman, directs the witness to produce his income-tax records, meaning his income-tax report to the Federal Government, not later than 1 week from today, to the committee.

Mr. ROGAN. That is the 1942 return?

Senator HUNT. And 1950. Didn't you want that also?

Mr. RICE. I think, for the purposes of this instruction, 1942 would be sufficient.

Senator HUNT. 1942 would be sufficient.

Mr. MOSER. You mean his copy of it?

Senator HUNT. Of his return. His copy of his report of his personal income.

Mr. ROGAN. What is the time, Senator?

Mr. HUNT. Within a week from today.

Mr. ROGAN. One week?

Senator HUNT. Yes.

Mr. RICE. Do you understand that instruction, Mr. Adams?

Mr. ADAMS. Yes, sir.

Mr. RICE. What it is that we want?

Mr. ADAMS. Yes, sir.

Mr. RICE. What is it?

Mr. ADAMS. You want a copy of the 1942 income-tax return.

Mr. RICE. Yes.

Mr. ADAMS. Yes, sir.

Mr. RICE. What business are you in, Mr. Adams?

Mr. ADAMS. I am in the real-estate business and ladies' wearing apparel.

Mr. RICE. What is the name of your real-estate business?

Mr. ADAMS. Adams Realty Brokers.

Mr. RICE. Adams Realty Brokers?

Mr. ADAMS. Yes, sir.

Mr. RICE. Is that a corporation?

Mr. ADAMS. No, sir.

Mr. RICE. What is it?

Mr. ADAMS. Just a private ownership.

Mr. RICE. Who is the owner?

Mr. ADAMS. I am the owner.

Mr. RICE. Are there any other parties in interest?

Mr. ADAMS. No, sir.

Mr. RICE. Is it a registered proprietorship?

Mr. ADAMS. Yes, sir.

Mr. RICE. Where is the office located?

Mr. ADAMS. 1519 Pennsylvania Avenue.

Mr. RICE. Who maintains the books and records for that organization?

Mr. ADAMS. I do.

Mr. RICE. Do you have a brokerage license?

Mr. ADAMS. Yes, sir.

Mr. RICE. Are you a registered real-estate agent?

Mr. ADAMS. Broker; yes, sir.

Mr. RICE. You have a broker's license under the laws of the State of Maryland?

Mr. ADAMS. I do.

Mr. RICE. In connection with that, are you bonded?

Mr. ADAMS. No, sir.

Mr. RICE. You are not bonded?

Mr. ADAMS. No, sir.

Mr. RICE. Who are the other employees of the Adams Realty?

Mr. ADAMS. My secretary.

Mr. RICE. What is his or her name?

Mr. ADAMS. Miss Helen Fisher.

Mr. RICE. Helen Fisher?

Mr. ADAMS. Yes, sir.

Mr. RICE. Is she on a salary basis?

Mr. ADAMS. Yes, sir.

Mr. RICE. How much does she get?

Mr. ADAMS. \$35 a week.

Mr. RICE. What are her duties?

Mr. ADAMS. She keeps the records, makes the entries into the books, and receives the calls.

Mr. RICE. Does she buy and sell real estate?

Mr. ADAMS. No, sir.

Mr. RICE. Who else is employed by that company?

Mr. ADAMS. Mr. Roy Bates.

Mr. RICE. B-a-t-e-s?

Mr. ADAMS. Yes.

Mr. RICE. What is his job?

Mr. ADAMS. He is an agent.

Mr. RICE. He is an agent?

Mr. ADAMS. Yes, sir.

Mr. RICE. Is he a licensed agent?

Mr. ADAMS. Yes, sir.

Mr. RICE. How is he paid?

Mr. ADAMS. Only through commissions.

Mr. RICE. Through commissions?

Mr. ADAMS. Yes, sir.

Mr. RICE. What were his earnings in 1950, approximately?

Mr. ADAMS. He hasn't been there, probably since the latter part of 1950.

Mr. RICE. What were his commissions last month, May? June? I guess it is June now. What did he make in June?

Mr. ADAMS. I do not know if we had a sale in June or not, frankly.

Mr. RICE. You don't know whether you had a sale or not. When was his last sale that you know of?

Mr. ADAMS. It probably would have been in May. If it wasn't in June, probably May.

Mr. RICE. From the first of the year until July 1, how many sales would you say have been made?

Mr. ADAMS. By whom?

Mr. RICE. By anyone in connection with the company.

Mr. ADAMS. I wouldn't know offhand, not too many.

Mr. RICE. Would you say there were a dozen?

Mr. ADAMS. No, sir.

Mr. RICE. Less than a dozen?

Mr. ADAMS. Less than a dozen.

Mr. RICE. Less than five?

Mr. ADAMS. I wouldn't say less than five.

Mr. RICE. You would say between 5 and 10?

Mr. ADAMS. Somewhere in there.

Mr. RICE. Of those sales, from January 1 until July 1, what was the total commissions earned by the company?

Mr. ADAMS. Well, I wouldn't know offhand.

Mr. RICE. Approximately. It is your business.

Mr. ADAMS. Probably twelve or thirteen hundred dollars, I guess.

Mr. RICE. Are there any other employees in that company?

Mr. ADAMS. Sir?

Mr. RICE. Are there any other employees in that company?

Mr. ADAMS. No, sir.

Mr. RICE. Mr. Bates is the only one—and the girl?

Mr. ADAMS. Yes, sir.

Mr. RICE. You mentioned you were in another business. What was the other business?

Mr. ADAMS. Ladies' wearing apparel.

Mr. RICE. What was the name of that?

Mr. ADAMS. Charm Center.

Mr. RICE. Is that a corporation?

Mr. ADAMS. No, sir. It is a partnership.

Mr. RICE. And who are the partners?

Mr. ADAMS. Miss Lottie Johnson and myself.

Mr. RICE. Is that a registered partnership?

Mr. ADAMS. I do not know. What is a registered partnership?

Mr. RICE. If you don't know, don't answer.

How long has the Charm Center been a partnership?

Mr. ADAMS. Since the beginning.

Mr. RICE. Since the beginning?

Mr. ADAMS. Yes, sir.

Mr. RICE. When was that?

Mr. ADAMS. Around December of 1947.

Mr. RICE. And where is the headquarters of the Charm Center?

Mr. ADAMS. 1911 Pennsylvania Avenue.

Mr. RICE. Is that the same address as the real-estate company?

Mr. ADAMS. No, sir.

Mr. RICE. Was that 1911 Pennsylvania Avenue? What is that?

Mr. ADAMS. Just the Charm Center.

Mr. RICE. Is that a store?

Mr. ADAMS. Yes, sir.

Mr. RICE. At the time that was formed what was your investment and what was her investment?

Mr. ADAMS. At the time it was formed she did not have any investment in it. I put up the money.

Mr. RICE. How much did you put up?

Mr. ADAMS. I think in the beginning it was \$28,000.

Mr. RICE. You put up \$28,000? What was the line of business?

Mr. ADAMS. We sell ladies' wearing apparel.

Mr. RICE. On a retail basis?

Mr. ADAMS. Yes, sir.

Mr. RICE. What was her interest? She was going to work and you were going to back her; is that the idea?

Mr. ADAMS. Yes, sir.

Mr. RICE. She is still there?

Mr. ADAMS. Yes, sir.

Mr. RICE. What gross business did she do last year? How much gross business?

Mr. ADAMS. I wouldn't know offhand. To tell you the truth, I guess \$80,000.

Mr. RICE. What was the net?

Mr. ADAMS. I could not say that offhand.

Mr. RICE. You understand you have \$28,000 invested in this. I feel you should know something about this business.

Mr. ADAMS. I do.

Mr. RICE. What is your best guess as to your net? What did you draw down?

Mr. ADAMS. I didn't draw down anything.

Mr. RICE. Did they make any money?

Mr. ADAMS. They made some money.

Mr. RICE. What became of the money that was made?

Mr. ADAMS. It is a charge account business and most of the money stays tied up in accounts.

Mr. RICE. You reinvest it?

Mr. ADAMS. Yes, sir.

Mr. RICE. I see.

Mr. ADAMS. Turn-over.

Mr. RICE. What are the total assets of the company worth now, the partnership? Is it more than \$28,000?

Mr. ADAMS. Yes, sir.

Mr. RICE. More than \$28,000?

Mr. ADAMS. Yes, sir.

Mr. RICE. Who keeps the books and records for the Charm Center?

Mr. ADAMS. We have a bookkeeper on the premises.

Mr. RICE. What is his or her name?

Mr. ADAMS. Miss Veria Butler.

Mr. RICE. How many employees does the Charm Center have?

Mr. ADAMS. Approximately six, I would say.

Mr. RICE. Are they on a salary basis?

Mr. ADAMS. Yes, sir.

Mr. RICE. They are salespeople?

Mr. ADAMS. Yes.

Mr. RICE. How about this Mrs. Johnson? Is that her name?

Mr. ADAMS. Miss Lottie Johnson.

Mr. RICE. How is Lottie Johnson compensated?

Mr. ADAMS. Through a third of the profits.

Mr. RICE. A third of the profits?

Mr. ADAMS. Yes, sir.

Mr. RICE. How much did that amount to last year for her?

Mr. ADAMS. I couldn't say offhand.

Mr. RICE. Who gets the other two-thirds?

Mr. ADAMS. The other two-thirds is the money that is actually mine. I mean it would be on the ownership.

Mr. RICE. What became of your two-thirds? I take it she draws her one-third in cash?

Mr. ADAMS. Actually what has happened is she has had a drawing account against the business since it has been opened. Aside from that, there haven't been any profits broken down, no more than probably at the end of the term the accountants would show this proportion, what she would have in there, but her account has never been deducted from that.

Mr. RICE. How much is her drawing account?

Mr. ADAMS. It is no set figure. It is just what she has to have to get along.

Mr. RICE. Approximately what is that?

Mr. ADAMS. I really couldn't tell you.

Mr. RICE. You have \$28,000 tied up in here? She doesn't have an unlimited drawing account, has she?

Mr. ADAMS. We haven't been in a position to have an unlimited drawing account.

Mr. RICE. Approximately how much did she draw last year?

Mr. ADAMS. I do not know last year. Since she has been there, I do not remember the whole total, but I think it is around \$8,000.

Mr. RICE. Do you have any written agreement with her?

Mr. ADAMS. I have a contract.

Mr. RICE. A contract?

Mr. ADAMS. Where she get a third of the profits.

Mr. RICE. A contract where she gets a third of the profits. How about a loss? Suppose there is a loss, does she share the loss?

Mr. ADAMS. There wasn't any clause in there as far as any loss.

Mr. RICE. She just shares a third of the profits?

Mr. ADAMS. Yes, sir.

Mr. RICE. Who has a copy of that contract?

Mr. ADAMS. I have a copy of it.

Mr. RICE. Who prepared the contract?

Mr. ADAMS. Mr. Hoffman, an attorney.

Mr. RICE. And you have a copy?

Mr. ADAMS. Yes, sir.

Mr. RICE. I wonder if we might instruct you to bring a copy in next Monday when you bring the other in. Will you do that?

Mr. ADAMS. Yes, sir.

Mr. RICE. And at the same time we would like to take a look at the books and records.

You have indicated that the gross business was \$80,000 in the last year. Suppose we take a look at the books and records and the checking accounts for the company for the years 1949 and 1950. So you will bring those in with your partnership agreement.

Mr. ADAMS. Those records, sir, are under investigation, and I would refuse to bring those for fear they will incriminate me.

Mr. RICE. You will refuse on those?

Mr. ADAMS. Yes, sir.

Mr. RICE. I will ask the Chair that the witness be directed to bring the partnership agreement and the books and records of the Charm Center for the years 1949 and 1950. Will the Chair so instruct the witness?

Senator HUNT. The Chair instructs the witness to present to the committee 1 week from today the contract and the records with reference to the business in which you are interested, known as the Charm Center.

Mr. ROGAN. For the years 1949 and 1950?

Senator HUNT. Yes.

Mr. RICE. Before we leave that, did Chandler Wynn have any interest in the Charm Center?

Mr. ADAMS. No, sir.

Mr. RICE. Does he have any interest in any enterprise you have an interest in?

Mr. ADAMS. Yes, sir.

Mr. RICE. What is that?

Mr. ADAMS. He is a stockholder in the Biddison Music Co.

Mr. RICE. The Biddison Music Co. is a corporation, is it not?

Mr. ADAMS. Yes, sir.

Mr. RICE. What is your interest in the Biddison Music Co.?

Mr. ADAMS. Stockholder.

Mr. RICE. Are you also an officer and director?

Mr. ADAMS. I am an officer.

Mr. RICE. What office do you hold?

Mr. ADAMS. Treasurer.

Mr. RICE. You are the treasurer?

Mr. ADAMS. Yes, sir.

Mr. RICE. Who are the other stockholders and officers if you know?

Mr. ADAMS. Mr. Cortlandt L. Brown is one, and Mr. Chandler Wynn.

Mr. RICE. What is Brown?

Mr. ADAMS. He is the president.

Mr. RICE. He is the president?

Mr. ADAMS. Yes, sir.

Mr. RICE. And he owns stock, too?

Mr. ADAMS. Yes, sir.

Mr. RICE. Who is the vice president?

Mr. ADAMS. I do not know if we have a vice president. I do not think so.

Mr. RICE. You have a treasurer, though?

Mr. ADAMS. Yes.

Mr. RICE. Do you have a secretary?

Mr. ADAMS. Chandler Wynn is the secretary.

Mr. RICE. Where is the bank account of the Biddison Music Co. kept?

Mr. ADAMS. Equitable Trust Co.

Mr. RICE. Who is authorized to draw checks on the account in the Equitable Trust?

Mr. ADAMS. I do not know of anybody except Mr. Brown.

Mr. RICE. Are you authorized to draw checks?

Mr. ADAMS. I do not know if I am authorized or not.

Mr. RICE. You are the treasurer. Normally the treasurer keeps the account. You understand that. Normally he draws the checks. You don't do that in this company?

Mr. ADAMS. No, sir.

Mr. RICE. What is the business of the Biddison Music Co.?

Mr. ADAMS. Music boxes, nickelodeons, in locations.

(Senator Wiley left the hearing.)

Mr. RICE. How long has that been a corporation? How long is it since its beginning?

Mr. ADAMS. I think it was the early part of 1947.

Mr. RICE. What percentage of stock do you hold in the Biddison Music Co.?

Mr. ADAMS. I don't know exactly.

Mr. RICE. How much money did you pay in to acquire the stock?

Mr. ADAMS. I haven't finished paying in as yet. I bargained to pay in approximately \$55,000.

Mr. RICE. You borrowed \$55,000?

Mr. ADAMS. I bargained to pay in.

Mr. RICE. You bargained?

Mr. ADAMS. Yes, sir.

Mr. RICE. For that \$55,000, what were you to get?

Mr. ADAMS. It was approximately half the stock, close to half of the stock.

Mr. RICE. Close to half?

Mr. ADAMS. I think so.

Mr. RICE. Who had the other half?

Mr. ADAMS. Between Mr. Brown and Mr. Wynn.

Mr. RICE. They are split more or less 50-50, so there are three of you there?

Mr. ADAMS. I don't know exactly how they are split. There is another fellow by the name of Carroll who has a little stock.

Mr. RICE. What is Carroll's first name?

Mr. ADAMS. Elmer Carroll.

Mr. RICE. How much interest does he have?

Mr. ADAMS. I don't think it is very much, because I think he acquired his interest through a few stocks he had in the music business, and he came in there.

Mr. RICE. Where is the Biddison Music Co. located?

Mr. ADAMS. 1426 Pennsylvania Avenue.

Mr. RICE. What do they have there? A store?

Mr. ADAMS. It is a store front—office and equipment.

Mr. RICE. That is the headquarters there?

Mr. ADAMS. Yes.

Mr. RICE. Do they own that place of business there?

Mr. ADAMS. No.

Mr. RICE. Do they rent it?

Mr. ADAMS. Rent it.

Mr. RICE. Who keeps the books and records of the Biddison Music Co.?

Mr. ADAMS. They have a staff there.

Mr. RICE. Who keeps the books and records?

Mr. ADAMS. I don't exactly know, but it is all in Mr. Brown's care, the president. He supervises the whole thing.

Mr. RICE. Mr. Brown supervises the whole thing?

Mr. ADAMS. Yes, sir.

Mr. RICE. You just answered that you have a \$55,000 investment in there. Don't you know who keeps the books or records?

Mr. ADAMS. Mr. Brown is the head of it.

Mr. RICE. Suppose you wanted to find out how the business was going. You are the treasurer. You also have a large investment. Whom do you check up with?

Mr. ADAMS. Mr. Brown.

Mr. RICE. You check with Mr. Brown?

Mr. ADAMS. That is right.

Mr. RICE. Does he keep the books and records himself?

Mr. ADAMS. No; he has personnel in there to help him.

Mr. RICE. Do you know who the actual person is who keeps those records?

Mr. ADAMS. There are two people in the office. One is Mr. Bristow. I do not recall his first name. There is a lady there, too. I do not recall her name.

Mr. RICE. You say they have juke boxes, music boxes?

Mr. ADAMS. Yes, sir.

Mr. RICE. What else?

Mr. ADAMS. They have different types of games.

Mr. RICE. Pinball games?

Mr. ADAMS. Yes, sir.

Mr. RICE. Do they have one-ball games?

Mr. ADAMS. I do not know. I am not familiar too much with that part of it, because it is more or less strictly a music company, but they have a few games aside from music.

Mr. RICE. They could have one-ball games?

Mr. ADAMS. They could.

Mr. RICE. Do they distribute slot machines?

Mr. ADAMS. That is right.

Mr. RICE. Do they distribute slot machines? Do they have slot machines?

Mr. ADAMS. No, sir; we do not distribute anything. I do not think we do.

Mr. RICE. What do you do with the machines?

Mr. ADAMS. Just put them out in different taverns or locations and restaurants.

Mr. RICE. Under what arrangement? Do you have Seeburg juke boxes?

Mr. ADAMS. Yes.

MR. RICE. You have a Seeburg box and you have a restaurant down the street that wants one. What arrangements do you make with that restaurant?

MR. ADAMS. More or less, you put a man on a percentage basis.

MR. RICE. On a percentage basis? What percentage?

MR. ADAMS. Around a 50-50 basis.

MR. RICE. For every nickel that goes in, the company takes 2½ cents and the place takes 2½ cents. You own the machines and put the records in?

MR. ADAMS. That is right.

MR. RICE. How about on pinball devices?

MR. ADAMS. I think they happen to have a few. They have a few of those bowlers.

MR. RICE. You know what a pinball machine is?

MR. ADAMS. Yes; I know what a pinball machine is. When you shoot the balls out.

MR. RICE. Yes.

MR. ADAMS. I am very doubtful whether we have any at all.

MR. RICE. It is possible, though?

MR. ADAMS. Certainly.

MR. RICE. And the same arrangement, if you do have those, is made as with the juke boxes?

MR. ADAMS. I think so.

MR. RICE. What gross business did the Biddison Music Co. do last year?

MR. ADAMS. I think we have a fiscal year there.

MR. RICE. Your last fiscal year, then. When does the fiscal year run?

MR. ADAMS. Until March 30.

MR. RICE. The 30th of March?

MR. ADAMS. Yes.

MR. RICE. In the year ending March 30, 1951, what gross business did you do in that fiscal year?

MR. ADAMS. I said approximately—this is approximately now.

MR. RICE. Yes.

MR. ADAMS. Approximately \$100,000 or a little bit better.

MR. RICE. What was your net on that gross business?

MR. ADAMS. I do not know.

MR. RICE. Are you on a salary basis?

MR. ADAMS. I am not on anything there.

MR. RICE. Have you ever drawn a dividend?

MR. ADAMS. No, sir.

MR. RICE. Have you ever drawn anything from the Biddison Music Co.?

MR. ADAMS. No, sir.

MR. RICE. Is it a loss as far as you are concerned?

MR. ADAMS. It is coming along better now, but we were in so much debt that it has taken everything to kind of keep us going until the present time.

MR. RICE. How much of your \$55,000 that you agreed to pay in have you paid?

MR. ADAMS. Forty.

Mr. RICE. \$40,000? You paid in \$40,000, and you have taken back nothing?

Mr. ADAMS. That is right.

Mr. RICE. What are the total assets of the company now? What is the company worth?

Mr. ADAMS. I wouldn't know offhand.

Senator HUNT. Would the counsel not just put the answer in the witness' mouth? It is quite right for you to tell him not to answer, but you are indirectly answering the questions for the witness. I think that is quite improper.

Mr. RICE. Is Mr. Wynn on a salary basis?

Mr. ADAMS. He works for the company.

Mr. RICE. What does he draw?

Mr. ADAMS. I wouldn't know.

Mr. RICE. How about Mr. Brown?

Mr. ADAMS. He is president.

Mr. RICE. Yes.

Mr. ADAMS. Yes, sir.

Mr. RICE. What does he draw?

Mr. ADAMS. I think he draws around \$150 a week, or something like that.

Mr. RICE. He is on a salary basis?

Mr. ADAMS. Yes, sir.

Mr. RICE. As treasurer, what do you draw?

Mr. ADAMS. Not anything.

Mr. RICE. What do you do?

Mr. ADAMS. I don't work for the company at all. I have never been employed by them.

Mr. RICE. You have never been employed?

Mr. ADAMS. No, sir.

Mr. RICE. Have you attended meetings of the officers?

Mr. ADAMS. Yes, sir.

Mr. RICE. How often do they occur?

Mr. ADAMS. Just when Mr. Brown thinks something important to bring us up to date on. Mr. Wynn hasn't been employed there but about a year. Mr. Brown was in that business with the company that owned it before we were ever interested in it for about 15 years, and he continued to run the company after we bought into it.

Mr. RICE. When you have these meetings, where do they take place?

Mr. ADAMS. At 1426 Pennsylvania Avenue.

Mr. RICE. Do you reduce those meetings to minutes in a minute book?

Mr. ADAMS. Probably some of the minutes, but just general discussions, I would say, "No."

Mr. RICE. Who keeps the minute book?

Mr. ADAMS. Mr. Brown.

Mr. RICE. Do you have any other business interests?

Mr. ADAMS. Yes.

Mr. RICE. What is one of those?

Mr. ADAMS. One is Carr Beach.

Mr. RICE. What is your main business? You indicated you don't spend much time with the music company and the real-estate company and, obviously, not with the dress business.

Mr. ADAMS. I didn't say I didn't spend much time with the real-estate business.

Mr. RICE. Is that your main business?

Mr. ADAMS. That and spending my time in the club.

Mr. RICE. What club is that?

Mr. ADAMS. That is my wife's club, the Club Casino.

Mr. RICE. Tell us about the Club Casino. Where is that located?

Mr. ADAMS. 1519 Pennsylvania Avenue.

Mr. RICE. What is the Club Casino?

Mr. ADAMS. It is a corporation.

Mr. RICE. What is the name of it?

Mr. ADAMS. Club Casino, Inc.

Mr. RICE. What type of business is that?

Mr. ADAMS. It is a tavern.

Mr. RICE. That is a tavern?

Mr. ADAMS. Yes, sir.

Mr. RICE. Does it have a liquor license?

Mr. ADAMS. Yes, sir.

Mr. RICE. Whose name is that in?

Mr. ADAMS. Club Casino, Inc.

Mr. RICE. The license is in the corporate name?

Mr. ADAMS. Yes, sir.

Mr. RICE. Who are the principal stockholders?

Mr. ADAMS. My wife Victorinia Adams.

Mr. RICE. What is she in that corporation?

Mr. ADAMS. She is the secretary.

Mr. RICE. Who is the president of that?

Mr. ADAMS. I think Mr. Gatewood.

Mr. RICE. What is his first name?

Mr. ADAMS. Askew.

Mr. RICE. He is the president?

Mr. ADAMS. I think so.

Mr. RICE. Any other officers?

Mr. ADAMS. Mr. J. R. Ross.

Mr. RICE. What is the gross business that the Club Casino does?

Mr. ADAMS. I wouldn't know offhand.

Mr. RICE. How much interest does your wife have in it?

Mr. ADAMS. At least 50 percent.

Mr. RICE. How much was her investment to get that 50 percent?

Mr. ADAMS. I wouldn't know offhand.

Mr. RICE. Do you file joint tax returns with your wife?

Mr. ADAMS. Yes, sir.

Mr. RICE. And you do not know how much investment she has there?

Mr. ADAMS. No, sir.

Mr. RICE. Is she on a salary basis?

Mr. ADAMS. Yes, sir.

Mr. RICE. What does she draw?

Mr. ADAMS. Three hundred a month.

Mr. RICE. Three hundred a month?

Mr. ADAMS. Yes.

Mr. RICE. Does she get dividends in addition to that?

Mr. ADAMS. Never made any dividends.

Mr. RICE. Does the Club Casino serve food?

Mr. ADAMS. Yes, sir.

Mr. RICE. And drink?

Mr. ADAMS. Yes, sir.

Mr. RICE. Are there any juke boxes there?

Mr. ADAMS. Yes, sir.

Mr. RICE. Was that put in by the Biddison Music Co.?

Mr. ADAMS. Yes.

Mr. RICE. Have you ever been arrested?

Mr. ADAMS. Yes, sir.

Mr. RICE. When was the first time? What was it for?

Mr. ADAMS. In 1936 or 1937 I was the president of the Democratic Club and the bartender was arrested for having beer on the bar after 2 o'clock in the morning.

Mr. RICE. After hours?

Mr. ADAMS. Yes, sir.

Mr. RICE. Were you fined in connection with that?

Mr. ADAMS. Yes.

Mr. RICE. Have you ever served any time?

Mr. ADAMS. No, sir.

Mr. RICE. Have you ever spent a night in jail?

Mr. ADAMS. No, sir.

Mr. RICE. Never spent a night in jail?

Mr. ADAMS. No, sir.

Mr. RICE. Have you ever been arrested for anything besides what the bartender did?

Mr. ADAMS. I do not remember the year. One time prior to that I was arrested in connection with a lottery, but I really don't know. I don't even know what year it was.

Mr. RICE. Where was that? Where was that that you were arrested for lottery?

Mr. ADAMS. I was sitting in a car with another fellow at the time. I do not recall what year it was. I do not recall if I was fined.

Mr. RICE. It was 1939?

Mr. ADAMS. 1939?

Mr. RICE. Yes.

Mr. ADAMS. No, sir.

Mr. RICE. You were convicted one time earlier than that on numbers.

Mr. ADAMS. That is what I am trying to figure out. I do not know whether I was convicted or not. That is what I was trying to find out. I was a kid then, and I do not remember. I do not remember what year it was.

Mr. RICE. You do not remember serving any time?

Mr. ADAMS. No, sir.

Mr. RICE. Do you recall ever paying a fine for numbers?

Mr. ADAMS. I do not recall.

Mr. RICE. Is it possible you did?

Mr. ADAMS. I didn't. I do not recall at all; no, sir.

Mr. ROGAN. May I ask him how old he was at that time?

Senator HUNT. Yes; you may go ahead.

Mr. ROGAN. How old were you at the time you were seated in the automobile?

Mr. ADAMS. Sixteen years old.

Mr. RICE. How old are you now?

Mr. ADAMS. Thirty-seven.

Mr. ROGAN. The reason I asked that was that I searched the criminal records of Baltimore City. He told me about the business of being

in an automobile when he was 16 years of age. I couldn't even find a record in the criminal court of Baltimore.

Mr. FORD. What year was it?

Mr. RICE. The witness knows that.

Mr. FORD. Don't you?

Mr. RICE. I am not the witness.

Going back to your business interests, do you have any interest in the Scarlett County Club?

Mr. ADAMS. No, sir.

Mr. RICE. Did you ever have?

Mr. ADAMS. No, sir.

Mr. RICE. Do you have any interest in any country club on Westminster Pike?

Mr. ADAMS. No, sir.

Mr. RICE. Ever heard of it?

Mr. ADAMS. I heard of it.

Mr. RICE. Have you had any interest with Austin Scarlett?

Mr. ADAMS. No, sir.

Mr. RICE. Never been connected in business with Scarlett?

Mr. ADAMS. No, sir.

Mr. RICE. How about Carr Beach?

Mr. ADAMS. Yes, sir.

Mr. RICE. What is that?

Mr. ADAMS. That is an amusement park.

Mr. RICE. Is that a corporation?

Mr. ADAMS. Yes, sir.

Mr. RICE. What is the name of that?

Mr. ADAMS. Carr Beach Amusement Co., Inc.

Mr. RICE. Are you an officer of that?

Mr. ADAMS. Yes, sir.

Mr. RICE. What officer?

Mr. ADAMS. Secretary.

Mr. RICE. Who is the president?

Mr. ADAMS. L. B. Gamby.

Mr. RICE. Where is he located?

Mr. ADAMS. You mean his residence?

Mr. RICE. Yes, where is his place of business?

Mr. ADAMS. He doesn't have a business, except at Carr Beach.

Mr. RICE. Is that where the office is?

Mr. ADAMS. We have our office there during the summer and then during the winter months we hold the meetings in our office.

Mr. RICE. Is that G-a-m-b-y?

Mr. ADAMS. Yes.

Mr. RICE. Where would we find Mr. Gamby?

Mr. ADAMS. More or less at Carr Beach.

Mr. RICE. Mostly more is what we are interested in.

Mr. ADAMS. Nobody lives there.

Mr. RICE. Who keeps the records of Carr Beach?

Mr. ADAMS. Robert Dunmore.

Mr. RICE. Where is he located?

Mr. ADAMS. He was at my office. He is now at the Providence Hospital. But he still comes in and takes care of the records.

Mr. RICE. He is where?

Mr. ADAMS. He is an accountant for the Providence Hospital.

Mr. RICE. He works there now?

Mr. ADAMS. Yes.

Mr. RICE. He keeps the books for Carr Beach in his spare time?

Mr. ADAMS. Yes.

Mr. RICE. He keeps them in your office?

Mr. ADAMS. Yes.

Mr. RICE. Where is that? 1519 Pennsylvania Avenue?

Mr. ADAMS. Yes, 1519 Pennsylvania Avenue.

Mr. RICE. Are you the secretary?

Mr. ADAMS. Yes.

Mr. RICE. Are you the custodian of the books and records?

Mr. ADAMS. Yes. They are there in my office.

Mr. RICE. I think we will ask the Chair to direct the witness to bring the books and records of Carr Beach when he comes in next Monday.

Senator HUNT. The Chair directs the witness to bring in the records of Carr Beach a week from today.

Mr. RICE. Do you have any interest in Sparrows Beach?

Mr. ADAMS. No, sir.

Mr. RICE. How about the Creyton Southern Sausage Co.?

Mr. ADAMS. Yes, sir; I have some stock.

Mr. RICE. Are you an officer?

Mr. ADAMS. I am the vice president, I think; I have never been active.

Mr. RICE. What is the nature of that business?

Mr. ADAMS. Processing meats.

Mr. RICE. What is the proper name of the company?

Mr. ADAMS. Creyton Southern Sausage Co.

Mr. RICE. Where is that located?

Mr. ADAMS. The home office is in Cleveland, Ohio.

Mr. RICE. Where is the Baltimore office?

Mr. ADAMS. He has a little small plant in Baltimore.

Mr. RICE. Where is that located?

Mr. ADAMS. 1706 Edding Street.

Mr. RICE. You have stock in the company? Is that the main company? Is that the one?

Mr. ADAMS. Yes, sir.

Mr. RICE. What is the extent of your investment there?

Mr. ADAMS. I think \$30,000.

Mr. RICE. How about the Joe Louis Bottling Co.? Do you have any interest in that?

Mr. ADAMS. I was given a little piece of stock. I never had any interest in there so far as putting any money in it is concerned.

Mr. RICE. You were given stock? Who gave you the stock?

Mr. ADAMS. The organizer, Mr. Graham.

Mr. RICE. Why did he give you stock?

Mr. ADAMS. I was a very good friend of Joe's. He was having some difficulty at the time he was organizing this bottling company in reference to some other people—Mr. Straus or someone—he was having trouble in Mike Jacob's office. They wanted to take it over for some reason. I do not know why. Joe had not signed the papers for him giving him the rights to use his names. By me being very friendly with Joe, it was through possibly that reason that he actually got the papers signed by Joe, leaving Straus out of it.

Mr. RICE. Straus is a Baltimore man?

Mr. ADAMS. No, sir. This was a Mr. Straus, a lawyer in Mr. Mike Jacobs' office, the promoter.

Mr. RICE. In New York?

Mr. ADAMS. Yes.

Mr. RICE. What did you do?

Mr. ADAMS. I was a close friend of Joe Louis.

Mr. RICE. What did that gain for Joe?

Mr. ADAMS. Mr. Graham wanted Joe to sign the papers and seemingly Mr. Strauss was holding up those papers for some reason.

Mr. RICE. Who is Mr. Graham?

Mr. ADAMS. Mr. William B. Graham. He was the organizer.

Mr. RICE. Of the bottling company?

Mr. ADAMS. Joe Louis Bottling Co.

Mr. RICE. He wanted Joe Louis to sign?

Mr. ADAMS. Yes, sir. He wanted Joe to sign the papers in reference to Joe giving him the right to use his name for the Joe Louis Punch.

Mr. RICE. Yes, and what did you do?

Mr. ADAMS. I talked to Joe.

Mr. RICE. You convinced him?

Mr. ADAMS. I talked to him. I do not know whether I convinced him.

Mr. RICE. Persuaded him?

Mr. ADAMS. I talked to him and told him I thought that was probably the right thing to do and it was through that I knew Joe that he signed the papers and gave him the full right to sponsor the program.

Mr. RICE. As a result of that, you got an interest in the company?

Mr. ADAMS. He gave me a piece of organization stock.

Mr. RICE. Do you still have it?

Mr. ADAMS. I have it, but I do not think it is any good now.

Mr. RICE. Where is the headquarters located?

Mr. ADAMS. I don't know.

Mr. RICE. Where is the office?

Mr. ADAMS. I don't know.

Mr. RICE. Do you have the stock certificate?

Mr. ADAMS. I have it, but I do not know where it is.

Mr. RICE. You are not making anything on that?

Mr. ADAMS. I think the company has gone up. I don't think it has ever been a success at all.

Mr. RICE. Do you have any interest in any other business enterprises?

Mr. ADAMS. I think that covers it.

Mr. RICE. You think that covers it?

Mr. ADAMS. I think that covers it.

Mr. RICE. That covers it, you think?

Mr. ADAMS. Yes.

Mr. RICE. Where do you keep your personal bank account?

Mr. ADAMS. I would say at the Union Trust Co. and the Equitable Trust Co.

Mr. RICE. Are those accounts in your name?

Mr. ADAMS. I only have one there. It is at Equitable Trust Co.

Mr. RICE. What about the Union Trust?

Mr. ADAMS. I don't have any.

You asked me where I usually keep them.

MR. RICE. I said: Where do you keep them?

MR. ADAMS. It would be at the Equitable Trust. I don't have anything now.

MR. RICE. You don't have a bank account?

MR. ADAMS. No more than a checking account.

MR. RICE. Where is that?

MR. ADAMS. Union Trust. It is in the name of Adams Realty Co.

MR. RICE. You don't have an individual checking account?

MR. ADAMS. No, sir.

MR. RICE. How do you pay your gas bill?

MR. ADAMS. Through my office.

MR. RICE. Adams Realty Co.?

MR. ADAMS. Adams Realty Co.

MR. RICE. Through their checks?

MR. ADAMS. Yes, sir.

MR. RICE. How do you straighten that out?

MR. ADAMS. Our business is more or less collecting rents.

MR. RICE. I am talking about your electric bill and gas and telephone bills at home at Carlyle.

MR. ADAMS. I have my personal account to do it with.

MR. RICE. You run an account in Adams Realty and let them pay everything?

MR. ADAMS. We have accounts for every client; we take care of their property.

MR. RICE. How many other clients do you have like yourself that you take care of paying their personal telephone bill for?

MR. ADAMS. I wouldn't know.

MR. RICE. Approximately?

MR. ADAMS. I wouldn't know approximately how many accounts we have. We take care of other people's property and pay their building and loan association.

MR. RICE. And their telephone bill?

MR. ADAMS. I do not pay anybody's telephone bill but my own.

MR. RICE. Your own?

MR. ADAMS. My office and my own.

MR. RICE. You pay your home telephone bill?

MR. ADAMS. Yes, sir.

MR. RICE. Suppose you have a grocery bill, how do you pay that?

MR. ADAMS. Pay that in cash.

MR. RICE. But your telephone bill you pay through Adams Realty Co.?

MR. ADAMS. My gas and electric and my telephone bills.

MR. RICE. Do you have a safe-deposit box?

MR. ADAMS. Yes, sir.

MR. RICE. Where is that located?

MR. ADAMS. Union Trust Co.

MR. RICE. Whose name is that under?

MR. ADAMS. William Adams.

MR. RICE. Who else has a key to it?

MR. ADAMS. No one.

MR. RICE. Just you?

MR. ADAMS. Yes, sir.

MR. RICE. Do you have any other safe-deposit boxes?

MR. ADAMS. No, sir.

Mr. RICE. What do you have in the safe-deposit box?

Mr. ADAMS. I really wouldn't know offhand.

Mr. RICE. You are the man who has a key.

Mr. ADAMS. It has been quite sometime since I have been in there. I use it for keeping more important papers. I have had it for a long time. Before I had my office set up, I more or less used to keep deeds to property in there.

Mr. RICE. Do you keep any cash in there?

Mr. ADAMS. Very little.

Mr. RICE. Very little?

Mr. ADAMS. Yes, sir.

Mr. RICE. You say you keep some deeds to property in there. What properties do you own?

Mr. ADAMS. What properties do I own?

Mr. RICE. You own your own home, don't you?

Mr. ADAMS. Yes, sir.

Mr. RICE. Does that have any mortgages against it?

Mr. ADAMS. Yes, sir.

Mr. RICE. What else do you own? How about Druid Hill Avenue?

Mr. ADAMS. My wife owns that property, 2340 Druid Hill Avenue. My wife owns it.

Mr. RICE. What is that?

Mr. ADAMS. Apartment house and store fronts.

Mr. RICE. Apartment house and stores?

Mr. ADAMS. Yes, sir.

Mr. RICE. Does your wife have any independent income except this job in the tavern, Club Casino?

Mr. ADAMS. She was a school teacher. She taught school up until 1944.

Mr. RICE. She was a school teacher before that?

Mr. ADAMS. Yes, sir.

Mr. RICE. Was it her money that she used to buy Drew Hill, or was it your money that you put in her name?

Mr. ADAMS. I wouldn't say it that way. I sold Drew Hill Avenue to her and it has been paid back, probably through her profits that she has made from it.

Mr. RICE. You sold it to her?

Mr. ADAMS. Yes, sir.

Mr. RICE. How much did you charge her for that property?

Mr. ADAMS. \$18,000.

Mr. RICE. And she has paid it back?

Mr. ADAMS. Something around that figure.

Mr. RICE. How much did she put up when she bought it?

Mr. ADAMS. She didn't pay anything.

Mr. RICE. As a matter of fact, you transferred title?

Mr. ADAMS. I sold it to her because I gave her another piece of property which was 1517 to 1519 Pennsylvania Avenue. I gave her that, but Drew Hill Avenue, I didn't.

Mr. RICE. What are these properties on Pennsylvania Avenue you are talking about you gave her?

Mr. ADAMS. That is where the Club Casino is.

Mr. RICE. You gave her that property?

Mr. ADAMS. Yes, sir.

Mr. RICE. That is 1517 to 1519 Pennsylvania Avenue?

Mr. ADAMS. Yes.

Mr. RICE. Those are three parcels there?

Mr. ADAMS. Yes, sir.

Mr. RICE. That is all Club Casino?

Mr. ADAMS. No, sir. One is a little bootblack next door. The other two are Club Casino.

Mr. RICE. How about 1502 Pennsylvania Avenue?

Mr. ADAMS. That belongs to Mr. Chandler Wynn and myself.

Mr. RICE. What type of tenancy do you have? Joint tenancy or tenancy in common?

Mr. ADAMS. It is the one where I have my equal rights to my share and he has his equal rights to his. I don't know whether that would be in common.

Mr. RICE. What is that?

Mr. ADAMS. Store fronts and apartments upstairs.

Mr. RICE. It is an apartment building?

Mr. ADAMS. It has three or four apartments.

Mr. RICE. You are in 50-50 with Chandler Wynn?

Mr. ADAMS. Yes, sir.

Mr. RICE. How about 1811 Pennsylvania Avenue?

Mr. ADAMS. I own that.

Mr. RICE. What is that?

Mr. ADAMS. That is a store front. That is where the store Charm Center is.

Mr. RICE. 1923 East Madison Street?

Mr. ADAMS. My wife owns that now.

Mr. RICE. What is that?

Mr. ADAMS. That is a building with a store front, one apartment upstairs.

Mr. RICE. A business building?

Mr. ADAMS. Yes, sir.

Mr. RICE. Your wife owns that?

Mr. ADAMS. Yes, sir.

Mr. RICE. Did you give that to her?

Mr. ADAMS. No, sir. She just bought that last year.

Mr. RICE. Where did she get the money to buy that?

Mr. ADAMS. She paid \$1,700 out of her account in Adams Realty.

Mr. RICE. Does she have an account in Adams Realty, too?

Mr. ADAMS. We handle her account the same as we handle the other clients, what you call a fiduciary account. All her money goes in there.

Mr. RICE. 3101 Carlyle—that is where you live, isn't it? Do you or your wife own any other properties?

Mr. ADAMS. Yes, sir.

Mr. RICE. What other properties do you have?

Mr. ADAMS. I have 1819½ and 1821 Pennsylvania Avenue and 820 Rutland Avenue, and 1923 Ashland Avenue.

Mr. RICE. Going back to 1819½ and 1821 Pennsylvania Avenue, what is in there?

Mr. ADAMS. Just dwellings, private homes.

Mr. RICE. On Rutland?

Mr. ADAMS. Just a private dwelling.

Mr. RICE. Who lives there?

Mr. ADAMS. My sister.

Mr. RICE. What was the last one?

Mr. ADAMS. 1823 Ashland Avenue.

Mr. RICE. Who lives there?

Mr. ADAMS. Mrs. Robinson.

Mr. RICE. Is that a dwelling?

Mr. ADAMS. Yes, sir.

Mr. RICE. Who is Mrs. Robinson?

Mr. ADAMS. Mrs. Mary Robinson.

Mr. RICE. Is she a relation to you?

Mr. ADAMS. No, sir.

Mr. RICE. Is she a tenant?

Mr. ADAMS. She is an elderly lady. She is a tenant. She doesn't pay any rent. In fact, it was her house and she turned the house over to me sometime ago, because she was sick.

Mr. RICE. Is she somebody you are taking care of?

Mr. ADAMS. I do not take care of her. It is sometimes necessary for me to give her something. I give her something if it is necessary. She has a son. I do not collect rent from her.

Mr. RICE. Do you know Hiram Butler?

Mr. ADAMS. Yes, sir.

Mr. RICE. Who is he?

Mr. ADAMS. Sgt. Hiram Butler of the police department.

Mr. RICE. Baltimore Police Department?

Mr. ADAMS. Yes.

Mr. RICE. How well do you know him?

Mr. ADAMS. Very well.

Mr. RICE. Do you see him every day?

Mr. ADAMS. No, sir.

Mr. RICE. Did you ever take many trips with him?

Mr. ADAMS. We have been gunning, I think, once.

Mr. RICE. You went gunning?

Mr. ADAMS. Yes.

Mr. RICE. Where did you go gunning?

Mr. ADAMS. Up in Frederick County.

Mr. RICE. Frederick County? Dr. Adams' place up there?

Mr. ADAMS. Dr. Bourne, Eulis C. Bourne.

Mr. RICE. Up in Frederick County?

Mr. ADAMS. Yes.

Mr. RICE. How long did you stay up there?

Mr. ADAMS. Just a day.

Mr. RICE. Who else went besides Butler?

Mr. ADAMS. Dr. Fred Adams and a fellow named Pat Ball.

Mr. RICE. Pat who?

Mr. ADAMS. Pat Ball.

Mr. RICE. Pat Ball?

Mr. ADAMS. Yes, sir.

Mr. RICE. What did you hunt up there?

Mr. ADAMS. Rabbits.

Mr. RICE. Any other persons from the police department go along?

Mr. ADAMS. Not as I know of. I do not recall any.

Mr. RICE. Think about it a little bit. It wasn't so long ago.

Mr. ADAMS. It was 2 years ago.

Mr. RICE. Yes. Did anyone else go along?

Mr. ADAMS. I don't recall.

Mr. RICE. Did Butler ride with you?

Mr. ADAMS. I beg your pardon?

Mr. RICE. Did Butler ride with you in the car when you went up there?

Mr. ADAMS. I really do not know. I do not know if I rode with someone or I went up by myself. I do not know. I really do not recall who rode with whom.

Mr. RICE. Have you ever transacted any business with Butler?

Mr. ADAMS. Not as I know of.

Mr. RICE. How did you happen to be friendly with him?

Mr. ADAMS. I have known him. I am right there on Pennsylvania Avenue and they work that territory, more or less up and down there—Sergeant Butler and Sergeant Johnson—and I think I have given them quite a bit of information pertaining to some certain things.

Mr. RICE. Ever give them a bottle of liquor?

Mr. ADAMS. I do not know if I have ever given them a bottle of liquor. He probably got a bottle of liquor from the place.

Mr. RICE. From the Casino?

Mr. ADAMS. I wouldn't say offhand.

Mr. RICE. As a gift, you mean?

Mr. ADAMS. I say I wouldn't know if it was. It would be more or less, I guess.

Mr. RICE. As a matter of fact, you know about it, don't you? You know about him getting some liquor from there?

Mr. ADAMS. I wouldn't say one way or the other.

Mr. RICE. You wouldn't say you wouldn't know about it?

Mr. ADAMS. I couldn't say exactly I do, either, but if he wanted it and asked for it, I am quite sure he probably would get it.

Mr. RICE. Without paying for it?

Mr. ADAMS. Probably a bottle, not a whole lot.

Mr. RICE. Have you ever transacted any money business with him?

Mr. ADAMS. No, sir.

Mr. RICE. Never gave him any money indirectly?

Mr. ADAMS. No, sir.

Mr. RICE. How about at Christmas time?

Mr. ADAMS. No, sir.

Mr. RICE. Have any of your employees ever given him any money?

Mr. ADAMS. Not that I know of.

Mr. RICE. Ever handle any property transactions for him?

Mr. ADAMS. No, sir.

Mr. RICE. Has the realty company handled any property transactions for him?

Mr. ADAMS. No, sir.

Mr. RICE. Do you know Captain Kriss?

Mr. ADAMS. In the northwest?

Mr. RICE. Yes, sir.

Mr. ADAMS. Yes.

Mr. RICE. Have you ever transacted business with Captain Kriss?

Mr. ADAMS. No, sir.

Mr. RICE. Sure about that?

Mr. ADAMS. Yes, sir.

Mr. RICE. How often do you see him?

Mr. ADAMS. Haven't seen him for a long time.

Senator O'CONOR. I think there might be some misunderstanding. You said Captain Kriss in the northwest. Captain Kriss is the captain of the detectives.

Mr. ADAMS. I was thinking about Captain Feeley.

Senator O'CONOR. Captain Kriss was captain of detectives.

Mr. RICE. I am talking about K-r-i-s-s.

Mr. ADAMS. I don't know him.

Mr. RICE. Did you ever discuss Captain Kriss with Sergeant Butler?

Mr. ADAMS. Not as I can recall.

Mr. RICE. Tell us the story about Baltimore Blinkey. You know Baltimore Blinkey, don't you?

Mr. ADAMS. I just know him if I probably would see him, that is all.

Mr. RICE. Tell us about the time that you or he had that trouble with the car, somebody wanted his take.

Mr. ADAMS. With his car?

Mr. RICE. Yes, the time the Pennsylvania car came.

Mr. ADAMS. That was the time of the bombing?

Mr. RICE. That is right. Tell us about that.

Mr. ADAMS. I remember I was walking out Madison Street, which is East Baltimore.

Mr. RICE. Yes.

Mr. ADAMS. Around ten or eleven hundred block. That car drove up beside me. There were some garages there. There were no houses in front where it approached me. Someone called me over to the car and said somebody wanted to talk with me.

Mr. RICE. A white man?

Mr. ADAMS. Yes, sir. It was all white men in it.

Mr. RICE. Pennsylvania plates on his car?

Mr. ADAMS. Whatever my testimony was in that case. It was Pennsylvania, I am pretty sure.

Mr. RICE. Yes.

Mr. ADAMS. So this fellow steps out of his car and he calls me a little away from the car and talks with me and tells me that he is coming into Baltimore and he wants 5 percent. They were going to take over and they wanted 5 percent of my take. I did not pay any attention to him. I did not pay very close attention to what he was saying, because I really was not concerned. I don't know why. I just thought it was something that probably was not as serious as it turned out to be. So I left and they said, "I will be in touch with you in a few days."

Mr. RICE. What kind of take?

Mr. ADAMS. I guess he assumed that I understood what he was talking about.

Mr. RICE. Did you know what he was talking about?

Mr. ADAMS. I had an idea, but I didn't, as I recall it, ask him or go into detail about what he meant with respect to 5 percent of what take, because I wasn't concerned.

Mr. RICE. Did he mention numbers or horses?

Mr. ADAMS. As I recall it, he did not talk about anything. He just said, "We are coming in and we want 5 percent of your take. We are taking over Baltimore," or something like that. I did not think

anything of it. If I had, I would have taken down the license plate of the car for some reason.

Mr. RICE. Yes.

Mr. ADAMS. So I left and probably—I don't know what date it was, it was like on a Tuesday or Wednesday or could have been Thursday of this week, and I didn't hear anything from anybody until the following Sunday—not that Sunday, but the following Sunday—that week when my place was bombed.

Mr. RICE. This fellow said he wanted 5 percent. Did you tell him "Yes" or "No"?

Mr. ADAMS. I just listened to him and said, "Yes, sir; yes, sir." I don't know what I said.

Mr. RICE. Did you arrange to meet him again?

Mr. ADAMS. I did not arrange to meet him. They said they would get in touch with me.

Mr. RICE. Get in touch with you?

Mr. ADAMS. Yes, sir.

(Senator Tobey entered the hearing.)

Mr. ADAMS. The following Sunday night, about 3 o'clock in the morning, this explosion went off.

Mr. RICE. To bring Senator Tobey up to date, you said back a few years ago, when you were walking along the sidewalk, a car drove up and a man got out and came over and said—he was a white man. Did he say he was part of the Philadelphia outfit?

Mr. ADAMS. I don't recall what outfit he said.

Mr. RICE. He just said they were taking over Baltimore and they wanted 5 percent of your take?

Mr. ADAMS. They wanted 5 percent.

Mr. RICE. They would get in touch with you later?

Mr. ADAMS. I would hear from them. They would get in touch with me. At that time I had a tavern at 2240 Druid Hill Avenue. I had a tavern there. I didn't hear anything from them until the following Sunday—not the Sunday after I was approached—Monday morning, 3 o'clock in the morning, when this explosion went off. So after this explosion went off and the police department came in and started to question about it, well the bartender in the place recalled that someone there had come in and left a telephone number and he just put it under the cash drawer and never said anything to me about it. So we turned the telephone number over to the police department and it seemed that same night, right before the explosion, an automobile with the lights off—the cruise car saw this car pull off from my place and go up two blocks and turn down without their lights on and cross the boulevard, which was North Avenue at Madison, so they stopped them a couple of blocks below there and questioned the two people who were in the car. One of them was this fellow Fink.

Mr. RICE. He was Blinkey Fink?

Mr. ADAMS. Yes.

Mr. RICE. Was he in the first car the first day they talked to you about the 5 percent?

Mr. ADAMS. I think I recall that I saw him. I think that was in my statement. We have some kind of a clue there. I think that is true.

Mr. RICE. You identified him, didn't you?

Mr. ADAMS. I think so.

After they let these fellows go, I think this explosion went off about 4 or 5 minutes later. Then they went back and picked up Fink right away and then my bartender turned over the telephone number and that was in reference to the Belair Market, or somewhere in that section.

Mr. RICE. Whose phone was it?

Mr. ADAMS. I don't recall whose telephone it was. I never saw the number. It was left with my bartender. I think the police department checked it and the record would show it was down in that section somewhere and near the section where I was approached, not too far, the first time.

Mr. RICE. Did they have a trial on that?

Mr. ADAMS. Yes, sir. They had a hearing and Fink was put under, I think, bail, and that was pretty much the end of it.

Mr. RICE. They never convicted him, did they?

Mr. ADAMS. No, sir.

Mr. RICE. What was the difference between the big number and the night number?

Mr. ADAMS. I don't know the night number or the big number.

Mr. RICE. You don't know what the night number is?

Mr. ADAMS. Not the night number.

Mr. RICE. Don't they have a night number over there now?

Mr. ADAMS. No; not that I know of.

Mr. RICE. Did they ever have a night number?

Mr. ADAMS. I think there was some time ago.

Mr. RICE. How did they arrive at the night number?

Mr. ADAMS. I wouldn't know.

Mr. RICE. How about the day number? How did they fix the day number? How do they fix the day number now?

Mr. ADAMS. You said how they fix it?

Mr. RICE. How does the number come up? Where do they get it from? Let's say 372 was the number yesterday.

Mr. ADAMS. I don't know.

Mr. RICE. Suppose 372 was the number yesterday, how would they get it?

Mr. ADAMS. When I was in, you took it from the races.

Mr. RICE. From the total mutuel at the track?

Mr. ADAMS. Yes, sir.

Mr. RICE. Get it out of the paper?

Mr. ADAMS. Yes, sir.

Mr. RICE. Have they stopped doing that?

Mr. ADAMS. Wouldn't know.

Mr. RICE. You say when you were in it, when was that?

Mr. ADAMS. I have been out of it now for some time.

Mr. RICE. How long?

Mr. ADAMS. More than a year.

Mr. RICE. How much more?

Mr. ADAMS. About 2 months more.

Mr. RICE. Two months more than a year?

Mr. ADAMS. Yes.

Mr. RICE. You got out of it around May of 1950?

Mr. ADAMS. Yes, sir.

Mr. RICE. About the time this committee started?

Mr. ADAMS. I do not know about the committee.

Mr. RICE. Do you know Don Blackburn and Roxbury, Joe Louis' man?

Mr. ADAMS. Yes, sir.

Mr. RICE. Did you have any business relations with either one of those?

Mr. ADAMS. No, sir.

Mr. RICE. Sure about that?

Mr. ADAMS. Mr. Julius Black. Did you say Blackburn?

Mr. RICE. Wasn't that his name?

Mr. ADAMS. Blackburn was the trainer.

Senator TOBEY. "Chippy" was the name.

Mr. ADAMS. Yes, sir.

Senator TOBEY. He is dead now.

Mr. ADAMS. Yes, sir.

Mr. RICE. Did you say you had business with those people?

Mr. ADAMS. Not with Mr. Blackburn or Mr. Roxbury. Mr. Julius Black—I have had some business with him as far as a piece of property was concerned.

Mr. RICE. What piece of property was that?

Mr. ADAMS. I bought a building in Chicago once, and he used to handle it through his office, the management, at the time I owned it.

Mr. RICE. He handled the building?

Mr. ADAMS. Yes, sir.

Mr. RICE. What sort of building was it?

Mr. ADAMS. It was through his office that I bought it.

Mr. RICE. What sort of building?

Mr. ADAMS. It was an apartment house.

Mr. RICE. Have you sold that?

Mr. ADAMS. Yes.

Mr. RICE. Do you have any bank accounts outside of Baltimore?

Mr. ADAMS. Yes, sir.

Mr. RICE. Do you have any property outside of Baltimore?

Mr. ADAMS. I wouldn't have anything except the small house my mother lives in.

Mr. RICE. Where is that?

Mr. ADAMS. Winston-Salem, N. C. We purchased that about a year ago.

Mr. RICE. Do you have any business interests outside of Baltimore, other than this meat company?

Mr. ADAMS. No, sir.

Senator TOBEY. What is your net worth, sir?

Mr. ADAMS. I wouldn't know, sir.

Senator TOBEY. Who would know?

Mr. ADAMS. I don't know of anybody would know.

Senator TOBEY. Keep your books?

Mr. ADAMS. Yes, sir.

Senator TOBEY. What is your worth represented by—securities, property, and money?

Mr. ADAMS. I would say I have some stocks.

Senator TOBEY. What are they worth?

Mr. ADAMS. They are not stocks on the stock market. It is just private corporations' stock in different things that I have explained to them, and a real estate business.

Senator TOBEY. Are you worth half a million dollars?

Mr. ADAMS. No, sir; way below that.

Senator TOBEY. Suppose you were before a court and the court said they wanted a statement of your net worth; how soon could you dig that up for them—your assets and liabilities—and get a balance? How long would it take you to do that?

Mr. ADAMS. I couldn't figure that up, Your Honor. I wouldn't know how to go about it. I wouldn't know what the value of one thing or the other was, as far as my interest in those things are concerned, because they haven't done too well at all. Most of the things that I had some stocks in haven't done too well.

Senator TOBEY. Do you keep considerable cash on hand?

Mr. ADAMS. No, sir.

Senator TOBEY. Safe deposit vaults? Any cash?

Mr. ADAMS. Very little. I haven't been in there for more than a year and a half, probably longer than that, I guess.

Mr. RICE. Senator, we have instructed him to bring in his books and records, including the Adams Realty, which is his main business. Then we can take it up further.

Going back to the time you were in the numbers business before May of 1950, last year, where was your headquarters? Where did you operate from?

Mr. ADAMS. I didn't exactly have any headquarters. We just probably operated here today and another place tomorrow.

Mr. RICE. You were moving around?

Mr. ADAMS. There wasn't much to my operation.

Mr. RICE. You had other men in there with you; didn't you?

Mr. ADAMS. No more than one.

Mr. RICE. Who was that one?

Mr. ADAMS. I said it wouldn't be any more than one.

Mr. RICE. Who was the one who was with you, if it was only one?

Mr. ADAMS. I say it wouldn't be any more than one.

Mr. RICE. You mean you were doing it by yourself?

Mr. ADAMS. More or less.

Mr. RICE. You mean you were writing numbers yourself? You weren't writing numbers? You were the lay-off man; weren't you?

Mr. ADAMS. I don't mean that. When you spoke about the big book and the night book, I think you were a little mixed. Probably the little book and the big book.

Mr. RICE. Straighten me out on that.

Mr. ADAMS. You have some fellows who take in the numbers. They take play up to 25 cents. That is called the little book, which we give the writers. They get less money from the writers for that than they would from what probably you said was the big book. The big book is a book that plays bet odds to the players.

Mr. RICE. Six to seven hundred to one, probably up to 800?

Mr. ADAMS. Probably so.

Mr. RICE. What did they pay on the big book when you quit?

Mr. ADAMS. Seven to one.

Mr. RICE. Is that single action?

Mr. ADAMS. It would be 700 to 1.

Mr. RICE. On the three numbers?

Mr. ADAMS. That is right.

Mr. RICE. How about the writer? What was his percentage?

Mr. ADAMS. There wouldn't be a writer directly involved in this. I do not know if the writer got anything on that particular business or not, because the way I got mine, more or less, would be from some of these fellows who would take the little book from the writer. They would get all the play.

Mr. RICE. They would turn it in to you, more or less?

Mr. ADAMS. No; they would more or less keep all the little play. We had a line called the quarter. You had to pay 25 cents in order to be on the big book.

Mr. RICE. What would be the smallest one you would take?

Mr. ADAMS. 25 cents.

Mr. RICE. You would take anything over 25 cents? You wouldn't pay a percentage?

Mr. ADAMS. You wouldn't get dollar for dollar. You probably have this man who would give you 80 or 85 cents for the dollar. With the dollar you would get a dollar's worth of play if you get somebody else that gives him something better. If you didn't meet that, you wouldn't have the play at all. He had control of the play actually.

Mr. RICE. What would your total daily book be, the amount of action you were handling a day, when you were in the field going full blast?

Mr. ADAMS. I guess around close to a thousand dollars a day.

Mr. RICE. \$1,000 a day?

Mr. ADAMS. Around that, a little better sometimes.

Mr. RICE. Did you have a ticker? Yours was all numbers? You didn't have any horse bets?

Mr. ADAMS. No, sir. I never had a horse bet in my life.

Mr. RICE. That was all numbers, \$1,000 a day. How many people would be betting that in to you, so it would aggregate a thousand dollars?

Mr. ADAMS. I wouldn't be able to tell that.

Mr. RICE. It would vary?

Mr. ADAMS. I don't know. The way I would get it would be as if you were a banker and you were keeping the little stuff and you would give me your package of large stuff, because the writers write more smaller stuff since they get a percentage off that and naturally they get more nickels and pennies and dimes in their plays than they would quarter plays or more, so you would be the one who ordinarily would have control of that.

Mr. RICE. How many people would you very likely have playing in to you?

Mr. ADAMS. I believe probably ten.

Mr. RICE. Where would they find you to lay it in to you, where would they call you? You would take it over the telephone?

Mr. ADAMS. Sometimes I would probably take some. You might come around with it yourself.

Mr. RICE. Who kept the records for you when you were running that operation?

Mr. ADAMS. I kept them.

Mr. RICE. You kept them yourself?

Mr. ADAMS. Yes, sir.

Mr. RICE. You did all the bookkeeping?

Mr. ADAMS. I had probably someone who helped me. I wouldn't say I did it all.

Mr. RICE. Who would help you?

Mr. ADAMS. I had one other person.

Mr. RICE. Who was that other person?

Mr. ADAMS. You want me to give his name?

Mr. RICE. Yes.

Mr. ADAMS. I wouldn't like to do that.

Mr. RICE. Suppose we direct you to?

Senator HUNT. The acting chairman directs you to answer the question.

Mr. ADAMS. I would refuse to answer that on the ground that it might incriminate me in my tax investigation.

Mr. RICE. How does the name of another person incriminate you in your tax investigation? This is somebody else we are talking about.

Mr. ADAMS. I wouldn't know.

Mr. RICE. You wouldn't know?

Mr. ADAMS. No, sir.

Mr. RICE. Is this other person a man or woman?

Mr. ADAMS. I have the same answer. I would refuse to answer that on the same ground.

Mr. RICE. I think, Mr. Chairman, the witness having opened the door by indicating that there was another person, is compelled to answer the question as to the identity of the person.

Senator HUNT. There isn't any way we can compel the witness to answer. The Chair cannot understand how giving the name of another person would incriminate the witness, on the ground or the premise that you stated, your counsel stated in the original remarks, due to the investigation of your income tax.

Do you care to state on what grounds you feel this would incriminate you, in what manner?

Mr. ADAMS. On the same ground that it might tend to incriminate me as far as the income tax investigation is concerned.

Mr. ROGAN. May I answer the question for him?

Senator HUNT. Yes, you may.

Mr. ROGAN. Senator, what we had in mind is, by reason of the investigation being made of his income tax return, counsel's question does not pertain to any particular year, his reference to somebody may be to somebody who may have done business with him, and, by reason of the divulging of that particular name, that would be a chain in the link, perhaps, that could connect up a situation with respect to how much business that man produced and gave to him.

The CHAIRMAN. I understood this particular name we are after is the man who helped him keep the books.

Mr. ROGAN. No, that was not my understanding as to the name of the man who kept the books. It was the name of the man with whom he did business.

Senator HUNT. The witness still refuses to answer; is that correct?

Mr. ADAMS. Yes.

Mr. RICE. One more question. You say you quit the business about May of 1950. To whom did you turn over your numbers business?

Mr. ADAMS. Not to anyone.

Mr. RICE. You let it collapse?

Mr. ADAMS. I wouldn't have anyone working for me. I wouldn't have anybody to turn it over to. I was taking action from the fellows who were giving it to me.

Mr. RICE. At the time you were taking action, did you lay off to anyone, if you got too much on one number that you did not want to hold, would you call someone to take that? Would you take any bet you got?

Mr. ADAMS. You also had a limit.

Mr. RICE. What was your limit?

Mr. ADAMS. Around a dollar.

Mr. RICE. That doesn't make sense. You have a \$1,000 book.

Mr. ADAMS. That is from one person.

Mr. RICE. That would make a thousand people.

Mr. ADAMS. Not that way. If you had nine or ten people you were getting play from, if you had a dollar with each person and they were fortunate enough to have the same.

Mr. RICE. What was the most you would take on any one number?

Mr. ADAMS. It would be a dollar to each person that was giving me play.

Mr. RICE. A dollar limit on each number?

Mr. ADAMS. Sometimes it might be a little more.

Mr. RICE. You never laid over to anybody?

Mr. ADAMS. I played some numbers, myself, a few. I played some numbers.

Mr. RICE. When you placed them, would you place them out of town?

Mr. ADAMS. No, sir.

Mr. RICE. Are you sure about that?

Mr. ADAMS. I am positive about that.

Mr. RICE. When you wanted to place a number, you would place more than a dollar, wouldn't you? There was no point in you betting less than a dollar, was there?

Mr. ADAMS. If I would have, say 10, 12 people giving me and I would wind up with each one—say 8 of them—having a dollar, or something like that, that would be the number I would play to protect myself.

Mr. RICE. You would lay over \$4 and give that to someone else?

Mr. ADAMS. Yes.

Mr. RICE. Whom would you give that to?

Mr. ADAMS. There are plenty of people to give it to who work for other people.

Mr. RICE. Can you remember any of those?

Mr. ADAMS. No, sir.

Mr. RICE. You can't remember any of those?

Mr. ADAMS. No, sir.

Mr. RICE. Is it clear, Mr. Adams, that you have been directed to bring in the books and records of the realty company which has your own personal record?

(Senator Tobey left the hearing.)

Mr. RICE. We are interested in your own personal records, where you say your telephone bills are paid out of, and so forth.

Mr. ADAMS. Yes, sir.

Mr. RICE. You are instructed to bring them in next Monday or before next Monday.

Mr. ADAMS. Yes, sir.

Senator HUNT. You are temporarily excused, Mr. Adams, but still under the subpoena.

Would the witness state his name, please?

Mr. FINK. Julius Fink.

Senator HUNT. Will you stand, please, Mr. Fink, to be sworn?

Mr. FINK. Yes.

Senator HUNT. Do you solemnly swear that the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. FINK. Yes, sir.

Senator HUNT. Counsel, if you will proceed.

TESTIMONY OF JULIUS FINK, BALTIMORE, MD.

Mr. RICE. You are not accompanied by counsel?

Mr. FINK. No.

Mr. RICE. Where do you live?

Mr. FINK. 2631 East Monmouth Street.

Mr. RICE. And you are Julius Fink?

Mr. FINK. Yes, sir.

Mr. RICE. Have you ever been known by any other name?

Mr. FINK. No, sir.

Mr. RICE. By the name of Blinky?

Mr. FINK. I used to blink my eyes when I was a young kid.

Mr. RICE. Have you been called Baltimore Blinky?

Mr. FINK. Yes, sir.

Mr. RICE. Anybody ever call you Blinky?

Mr. FINK. I blink my eyes. That was why they called me Blinky. I have no alias.

Mr. RICE. Where were you born?

Mr. FINK. Baltimore, Md.

Mr. RICE. How long ago?

Mr. FINK. Fifty-four years ago.

Mr. RICE. What business are you in, Mr. Fink?

Mr. FINK. Gentlemen, I have respect for all of you, and I stand on my constitutional rights, and I won't answer any questions to you, because it would tend to incriminate me.

Mr. RICE. Are you advised by counsel?

Mr. FINK. No, sir.

Mr. RICE. Are you under indictment?

Mr. FINK. No, sir.

Mr. RICE. With respect to the question, what business are you in, you refuse to answer on the ground that it would incriminate you of a Federal or State offense?

Mr. FINK. Tend to incriminate me.

Mr. RICE. Of a Federal or State offense?

Mr. FINK. I wouldn't answer any questions.

Mr. RICE. Do you have a specific offense in mind?

Mr. FINK. No, sir.

Mr. RICE. You don't have any offense that you are afraid you might be incriminated in connection with?

Mr. FINK. I never did anything. I don't know what I am here for.

Mr. RICE. You say you have never done anything.

Mr. FINK. I don't know why I am here.

Mr. RICE. You are under subpoena.

Mr. FINK. I don't want to answer any questions.

Mr. RICE. We understand that you would rather not, but in some cases, to help the congressional committee to follow the resolution which formed it to inquire into certain matters, it is necessary to inquire. We are more or less compelled to ask you some questions.

Mr. FINK. Gentlemen, I have the highest respect for all of you, the Senators, but I won't answer any questions.

Mr. RICE. In connection with the question, what business are you in, you say you don't know whether it would incriminate you of a Federal or of a State offense?

Mr. FINK. I won't answer that.

Mr. RICE. Are you under indictment?

Mr. FINK. No, sir. I do not know what for.

Mr. RICE. Are you under indictment?

Mr. FINK. What for?

Mr. RICE. Are you under investigation?

Mr. FINK. I don't know what for.

Mr. RICE. Do you know whether you are under investigation?

Mr. FINK. I do not know.

Mr. RICE. You are not?

Mr. FINK. I do not think I am.

Mr. RICE. You are not under investigation.

In connection with the question as to what business you are in, do you fear prosecution for a transaction which took place more than 10 years ago or less than 10 years ago?

Mr. FINK. I have nothing to hide. I just do not want to answer any questions. I have nothing to hide. I did nothing wrong in my life.

Mr. RICE. Try to keep your mind on the questions I am asking you. This transaction you are afraid you are going to be prosecuted for and which you are afraid will incriminate you——

Mr. FINK. I am not educated. I have a third-grade education. The best I can do is answer no questions.

Mr. RICE. Are you a married man?

Mr. FINK. Yes, sir; married 15 years.

Mr. RICE. What is your wife's name?

Mr. FINK. Mary Fink.

Mr. RICE. So you do answer some questions?

Mr. FINK. I will answer that, tell you my wife's name.

Mr. RICE. But there are some questions you don't want to answer?

Mr. FINK. I won't answer any from now on.

Mr. RICE. You won't answer any from now on?

Mr. FINK. Yes, sir.

Mr. RICE. Where did you go to grade school?

Mr. FINK. I refuse to answer that question.

Mr. RICE. Have you ever heard of Baltimore Blinky?

Mr. FINK. I refuse to answer that question. I answered that before.

Mr. RICE. Do you know Willie Adams?

Mr. FINK. I refuse to answer that question. It might tend to incriminate me.

Mr. RICE. This committee is investigating organized crime in interstate commerce. Do you have any information involving other people which would be of interest to this committee?

Mr. FINK. I refuse to answer that one.

Mr. RICE. I don't think I have any further questions.

Mr. MOSER. Mr. Fink, you understand that we are here for the purpose of obtaining information and not here to attack you and get you into trouble, only to try to get information that will be helpful to the committee in proposing legislation to the Congress. Do you understand that?

Mr. FINK. Yes, sir.

Mr. MOSER. Do you have any information with regard to organized crime that would not incriminate you?

Mr. FINK. I have no information. I do not know nothing.

Mr. MOSER. What is your answer to my question? I asked you if you have any information regarding crime that would not incriminate you.

Mr. FINK. I refuse to answer that because it might tend to incriminate me.

Senator HUNT. The witness is temporarily excused, but remains under subpoena.

Mr. RICE. Let the record indicate that the witnesses, George Goldberg and Ike Saperstein, did not respond when their names were called.

Senator HUNT. What is your name, sir?

Mr. REITZ. Edward Reitz.

Senator HUNT. Will you raise your right hand? Do you solemnly swear in the testimony you will give this committee to tell the truth, the whole truth, and nothing but the truth, so help you God?

Mr. REITZ. I do.

Mr. RICE. Are you accompanied by counsel?

Mr. KAPLAN. Harry I. Kaplan, 931 Munsey Building, Baltimore 2, Md.

**TESTIMONY OF EDWARD WILLIAM REITZ, BALTIMORE, MD.,
ACCOMPANIED BY HARRY I. KAPLAN, ATTORNEY, BALTIMORE,
MD.**

Mr. RICE. What is your full name?

Mr. REITZ. Edward William Reitz.

Mr. RICE. Where do you live?

Mr. REITZ. 830 Woodward Avenue.

Mr. RICE. Where is place of business?

Mr. REITZ. I don't have a place of business.

Mr. RICE. What is your business?

Mr. REITZ. At present? I refuse to answer that on the grounds that it may incriminate me.

Mr. RICE. Are you under indictment?

Mr. REITZ. No.

Mr. RICE. Are you under investigation?

Mr. REITZ. No.

Mr. RICE. In connection with the question, what business are you in, do you take the position that it will incriminate you under a Federal or a State offense?

Mr. REITZ. Federal.

Mr. RICE. Federal offense?

Mr. REITZ. That is right.

Mr. RICE. Do you have a particular Federal offense in mind?

Mr. REITZ. Probably income tax.

Mr. RICE. We are not interested in probably, we are interested in exactly. You are afraid if you answer what business you are in, you will incriminate yourself with regard to income tax?

Mr. REITZ. That is correct—income tax and State, too.

Mr. RICE. What State? You have a State crime in mind that you fear prosecution on?

Mr. REITZ. Fear prosecution on both.

Mr. RICE. In connection with the State crime that you have in mind, did a transaction from which you fear prosecution occur more than 5 years ago?

Mr. REITZ. Yes.

Mr. RICE. More than 5 years ago? And you fear prosecution from a crime that took place more than 5 years ago?

Mr. REITZ. Five years ago, and then in 1948.

Mr. RICE. And then in 1948?

Mr. REITZ. That is right.

Mr. RICE. The same crime again in 1948?

Mr. REITZ. Forty-eight on bookmaking—conviction.

Mr. RICE. You had a conviction in 1948?

Mr. REITZ. That is right.

Mr. RICE. You don't fear prosecution for an offense under which you have been arrested and convicted, do you?

Mr. REITZ. Anyhow, regardless, I refuse to answer that question on the ground of incrimination. My present occupation, I refuse to answer.

Mr. RICE. In 1944, what business were you in?

Mr. REITZ. 1944, from January 1 to May 14, I worked at Bethlehem Fairfield.

Mr. RICE. What was your occupation at Bethlehem?

Mr. REITZ. Painter.

Mr. RICE. What was your occupation in 1945?

Mr. REITZ. I worked on the water front, part of the year as a stevedore, ship feeler.

Mr. RICE. 1946?

Mr. REITZ. I refuse to answer '46 and '47 up until November 11, until December 1947, I refuse to answer on the ground that it will incriminate me.

Mr. RICE. When do you start answering again? What date?

Mr. REITZ. In 1947, I start answering from November until December.

Mr. RICE. And what business were you in in November and December 1947?

Mr. REITZ. I was a bartender at Anthony Lindon Tavern.

Mr. RICE. Is that at 143 East West?

Mr. REITZ. That is right.

Mr. RICE. You were a bartender there?

Mr. REITZ. That is right.

Mr. RICE. What compensation did you get as a bartender for that month?

Mr. REITZ. \$50 a week.

Mr. RICE. Who hired you there?

Mr. REITZ. Anthony Lindon.

Mr. RICE. Is he the owner?

Mr. REITZ. He is the owner.

Mr. RICE. What became of that job?

Mr. REITZ. I worked there until October 1948 as bartender.

Mr. RICE. At \$50 a week?

Mr. REITZ. At \$50 a week.

Mr. RICE. Did you do anything else besides bartending?

Mr. REITZ. No, sir.

Mr. RICE. After October 1948, what did you do?

Mr. REITZ. In 1948 I opened up in November, after I resigned as bartender at Lindon's, a place that I thought that I could make a little money in. That was in November of 1948. I stayed there until I was raided on December 24.

Mr. RICE. Of 1948?

Mr. REITZ. That is right.

Mr. RICE. What was the name of that place?

Mr. REITZ. I opened in the back of a barroom.

Mr. RICE. What did you operate?

Mr. REITZ. What did I operate?

Mr. RICE. What did you operate?

Mr. REITZ. I took bets on horses.

Mr. RICE. Where was that located?

Mr. REITZ. 222 East Cross.

Mr. RICE. That was in back of a bar?

Mr. REITZ. The building in back of the bar was condemned. The bar didn't have anything to do with it. I wasn't a licensee. Lohman was the licensee. It was separate from the building. The building was torn down and after it was torn down, it was condemned and torn down and another building was put up and I asked permission from the man who owned the building to get a club established back there. I didn't tell him what I was going to do with it. I stayed there 1 month and was raided.

Mr. RICE. You were only there 1 month?

Mr. REITZ. That is right.

Mr. RICE. Did you have a telephone?

Mr. REITZ. No telephone.

Mr. RICE. How did you take your bets?

Mr. REITZ. How did I take them? Took them from the customers around the neighborhood.

Mr. RICE. How did you get the results?

Mr. REITZ. Over wire service.

Mr. RICE. You had a ticker?

Mr. REITZ. I had a teleflash.

Mr. RICE. Whom did you get that from?

Mr. REITZ. World Wide.

Mr. RICE. World Wide News and Music?

Mr. REITZ. That is right.

Mr. RICE. Whom did you communicate with at Teleflash?

Mr. REITZ. McCushky.

Mr. RICE. How much did you pay for that?

Mr. REITZ. \$40 a week. I only stayed a month.

Mr. RICE. How did you pay that? Cash?

Mr. REITZ. Yes.

Mr. RICE. Where did you pay that?

Mr. REITZ. I paid it up at the office.

Mr. RICE. Went up to World Wide?

Mr. REITZ. Yes.

Mr. RICE. Paid it in cash?

Mr. REITZ. Yes.

Mr. RICE. Get a receipt?

Mr. REITZ. No.

Mr. RICE. You were only there a month?

Mr. REITZ. That is right.

Mr. RICE. You had no phone?

Mr. REITZ. That is right.

Mr. RICE. What odds did you pay?

Mr. REITZ. What odds to my bettors?

Mr. RICE. Yes.

Mr. REITZ. 18 and 4.

Mr. RICE. What was the largest bet you would take?

Mr. REITZ. I was operating small.

Mr. RICE. What was the largest bet you would take?

Mr. REITZ. I never got no big bets there. I was only operating with a neighborhood trade. I was trying to take a chance on it, to see if I could make money.

Mr. RICE. Would you take as large a bet as they put in to you?

Mr. REITZ. I didn't have those kinds of bettors. The largest bettor I had was 7 to 5. I didn't take over 20 to 1 on a horse. Mostly, a dollar or two.

Mr. RICE. Suppose someone wanted to bet 20 on a horse that was 10 to 1?

Mr. REITZ. I couldn't handle that.

Mr. RICE. You would just tell them you couldn't handle it?

Mr. REITZ. That is right.

Mr. RICE. Did you lay off any of it?

Mr. REITZ. No, anything I couldn't handle, I wouldn't accept.

Mr. RICE. You had no lay-off?

Mr. REITZ. No.

Mr. RICE. Anyone else have an interest in your business there?

Mr. REITZ. No one.

Mr. RICE. When you were raided what happened, other than the law came in?

Mr. REITZ. What happened?

Mr. RICE. Yes, were you convicted?

Mr. REITZ. Yes.

Mr. RICE. What fine did you get?

Mr. REITZ. I paid \$1,000.

Mr. RICE. Did you do any time?

Mr. REITZ. No, sir.

Mr. RICE. What is that paper you are reading from?

Mr. REITZ. I don't remember the places where I worked.

Mr. RICE. Is that your employment record?

Mr. REITZ. That is right.

Mr. RICE. After you paid your fine, what did you do?

Mr. REITZ. After I paid my fine?

Mr. RICE. Yes.

Mr. REITZ. Well, I paid my fine—from there on in——

Mr. RICE. Yes.

Mr. REITZ. I paid my fine and was convicted for bookmaking in December. I paid my fine in 1949.

Mr. RICE. Then what business did you get into?

Mr. REITZ. From 1949 on?

Mr. RICE. Yes.

Mr. REITZ. I refuse to answer that on the ground that I may incriminate myself.

Mr. RICE. Have you been in any business?

Mr. REITZ. No.

Mr. RICE. You haven't been in any business?

Mr. REITZ. No, sir.

Mr. RICE. If you haven't been in any business, how would it incriminate you?

Mr. REITZ. I still refuse to answer that on the ground that it will incriminate me. It could be State charges.

Mr. RICE. Let's take it real slowly. You said you haven't been in any business. You said that, didn't you?

Mr. REITZ. Yes; that is right.

Mr. RICE. So, if you haven't been in any business, what possible crime could that be outside of maybe vagrancy?

Mr. REITZ. Maybe I don't want to be convicted of vagrancy. I refuse to answer what I am doing from when I paid my fine and was convicted in 1948. I refuse to testify on my occupation.

Mr. RICE. Have you had any source of income since 1949?

Mr. REITZ. I refuse to answer that on the ground that I may incriminate myself.

Mr. RICE. I would like to ask the Chair to direct the witness to answer that question.

Senator HUNT. The witness will answer the question. Have you had any income since 1949?

Mr. REITZ. Since 1949? Other than I tried to finagle myself, other than going to the racetrack and betting on information on horses. I was a bettor. No other income than that.

Mr. RICE. Your only incomes then, from 1949 have been as a result of what you bet at the track?

Mr. REITZ. What I bet on information. I don't bet on every race.

Mr. RICE. What you bet on information?

Mr. REITZ. That is right.

Mr. RICE. What does that mean?

Mr. REITZ. If I get a horse from the right source and I think I can make a day's pay out of it, I bet it.

Mr. RICE. At the track?

Mr. REITZ. That is right.

Mr. RICE. Is that the only place you bet?

Mr. REITZ. I don't bet with bookmakers.

Mr. RICE. All the money you lived on for the last 2 years has been won at the racetrack?

Mr. REITZ. That is right.

Mr. RICE. What do you say you have won at the racetrack during the last 2 years?

Mr. REITZ. I refuse to answer on the ground that it may incriminate me.

Mr. RICE. Is that your only source of income, what you won at the racetracks?

Mr. REITZ. That is right.

Mr. RICE. What tracks are you talking about?

Mr. REITZ. I go to Delaware, Garden City, Atlantic City, all the Maryland tracks, Charlestown, any track close by. Sometimes I may not bet on a horse for 3 weeks.

Mr. RICE. What tracks do you bet on in December and January?

Mr. REITZ. Wherever they may be.

Mr. RICE. Where would that be?

Mr. REITZ. The closest track around.

Mr. RICE. What is that?

Mr. REITZ. Where do you mean?

Mr. RICE. What track in January do you place your bets at?

Mr. REITZ. Do I place my bet?

Mr. RICE. You say you go to these tracks and make these bets. What tracks do you go to in January?

Mr. REITZ. I have to see what tracks are running. I don't know.

Mr. RICE. You are the one who is in the business.

Mr. REITZ. I am not in the business. I told you I might not have a horse for 3 weeks. I don't go to the tracks every day.

Mr. RICE. How often do you go to the track?

Mr. REITZ. Sometime I might go to the track for 3 weeks straight, other times I might not go for 2 weeks.

Mr. RICE. Think of the months of January and February and think of one track you went to in January or February of 1950.

Mr. REITZ. Whatever track was the closest to Maryland.

Mr. RICE. What would that be?

Mr. REITZ. I wouldn't know.

Mr. RICE. Yes you would, you are the one who goes to them.

Mr. REITZ. I would tell you if I knew. I do not remember.

Mr. RICE. I will ask the Chair to direct the witness to answer what tracks he has made bets at in January and February 1951.

Senator HUNT. Will the witness—

Mr. REITZ. I do not remember. How can I answer? If I looked at a chart, I could tell you. If I get a chart of where the horses are running, I would tell you. I would go to the nearest track.

Mr. RICE. What is the furthest track you ever went to?

Mr. REITZ. Furthest track?

Mr. RICE. Yes.

Mr. REITZ. Hialeah.

Mr. RICE. When did you go there?

Mr. REITZ. In Hialeah?

Mr. RICE. Yes.

Mr. REITZ. I went to Hialeah in January 1947.

Mr. RICE. Have you been there since?

Mr. REITZ. No, sir.

Mr. RICE. Where do you make your bets in January and February? They are only running in Hialeah or in California tracks?

Mr. REITZ. In January and February?

Mr. RICE. Yes.

Mr. REITZ. Where do I make them?

Mr. RICE. Yes.

Mr. REITZ. I try to make a day's pay, that is all.

Mr. RICE. Where do you make your day's pay?

Mr. REITZ. Where do I make it?

Mr. RICE. Yes.

Mr. REITZ. If I see a horse I might go and shoot a little crap and make a day's pay. Anyway, I can make a day's pay, I do it.

Mr. RICE. Do you have an income from shooting crap?

Mr. REITZ. No.

Mr. RICE. Then you do not make a day's pay?

Mr. REITZ. I made a little money at it.

Mr. RICE. Have you made any money in 1949 and 1950 in shooting crap?

Mr. REITZ. I refuse to answer that on the grounds that I may incriminate myself.

Mr. RICE. All right, have you made any bets on any tracks in January and February 1951?

Mr. REITZ. I think we went all through that.

Mr. RICE. Yes, but we haven't had any answer.

Mr. REITZ. I refuse to answer that.

Mr. RICE. You are refusing now to say whether you made any bets at any tracks in January and February 1951?

Mr. REITZ. I refuse to discuss my livelihood from my conviction on.

Mr. RICE. You have opened the door. You have discussed your livelihood and made some money at the tracks, so you said.

Mr. REITZ. I don't say it was a livelihood. I made some money betting on horses.

Mr. RICE. In January and February 1951, the winter months, tell us what tracks you made bets at during those months.

Mr. REITZ. As far as I know, I don't remember. I may not have made a bet at any of them.

Mr. RICE. You think maybe you did not make any bets during January and February?

Mr. REITZ. Maybe I didn't.

Mr. RICE. What is the answer?

Mr. REITZ. I don't remember. If I had a chart, maybe I could tell you.

Mr. RICE. Could you keep any books?

Mr. REITZ. I could keep my books on a matchbox.

Mr. RICE. Is that the way you kept books?

Mr. REITZ. What do I have to keep books for? I am in no business.

Mr. RICE. You pay taxes, don't you?

Mr. REITZ. Pay taxes?

Mr. RICE. Yes.

Mr. REITZ. You have the records, you can see whether I pay taxes.

Mr. RICE. Do you pay taxes?

Mr. REITZ. I pay taxes when I think I made money.

Mr. RICE. How about when you have money?

Mr. REITZ. When I keep my matchbox book.

Mr. RICE. Where is your matchbox book?

Mr. REITZ. If I win \$50 a day, I put it on the matchbox.

Mr. RICE. Do you have your matchbox with you?

Mr. REITZ. No.

Mr. RICE. Where is your matchbox?

Mr. REITZ. I have it at home. I know when I am ahead every quarter.

Mr. RICE. In connection with the subpoena that was served on you, it called for you to bring your records.

Mr. REITZ. That is right.

Mr. RICE. Have you brought those with you?

Mr. REITZ. I have my records as far as I have any. Is there any records there? I have the deeds. What records would you want?

Mr. RICE. The records were recited in the subpoena.

Mr. REITZ. What would they be?

Mr. RICE. The copies of your Federal tax returns.

Mr. REITZ. Yes; we have that.

Mr. RICE. How much education have you had?

Mr. REITZ. I just graduated from the eighth grade in grammar school.

Mr. RICE. You read and write?

Mr. REITZ. Oh, yes.

Mr. RICE. Whereabouts in your house do you keep your matchbox that has the income on it?

Mr. REITZ. Whereabouts in the house?

Mr. RICE. Yes.

Mr. REITZ. I have it with other securities in the house.

Mr. RICE. Whereabouts?

Mr. REITZ. In my house.

Mr. RICE. Yes.

Mr. REITZ. I have it at home in my house.

Mr. RICE. In your desk?

Mr. REITZ. I don't have a desk.

Mr. RICE. In a wall safe?

Mr. REITZ. In a drawer.

Mr. RICE. In a drawer in what?

Mr. REITZ. In a drawer.

Mr. RICE. What drawer?

Mr. REITZ. A bureau drawer.

Mr. RICE. In your bedroom?

Mr. REITZ. That is right.

Mr. RICE. In your bureau drawer in your bedroom, do you have the matchbox for 1949?

Mr. REITZ. I don't care to answer anything from my conviction on. I don't care to answer it on the ground that it may incriminate me from 1949 on.

Mr. RICE. It is difficult to distinguish between your answer to some of these and others. You have indicated you have a matchbox. You are talking about a matchbox.

Mr. REITZ. You asked me about books. I am not talking about a matchbox from 1949. You asked me about books.

Senator HUNT. Just answer the question, please, don't argue about the question asked by the counsel. If you don't care to answer just say you don't care to answer it, but let's not get into an argument.

Mr. RICE. Maybe we can get at it this way. At the end of the year 1949, there comes a time when you have to make up a Federal tax return and tell them how much money you made during the year. Where do you get the figure that you put on that tax return?

Mr. REITZ. I don't care to answer that question on the ground that it may incriminate me.

Mr. RICE. Do you keep any records?

Mr. REITZ. Do I keep records?

Mr. RICE. Yes.

Mr. REITZ. From 1949, on, you mean?

Mr. RICE. Yes.

Mr. REITZ. No, I do not care to answer that question.

Mr. RICE. Do you keep records?

Mr. REITZ. I say, I do not care to answer that on the grounds of incriminating myself.

Mr. RICE. You think the keeping of records may incriminate you?

Mr. REITZ. That is right.

Mr. RICE. How about for the year 1950? How do you arrive at the amount of income you paid in 1950? Do you have a record of that?

Mr. REITZ. I don't care to answer that.

Mr. RICE. How do you arrive at the figure you put on your tax return?

Mr. REITZ. I don't care to answer that question.

Mr. RICE. Do you guess that?

Mr. REITZ. I don't care to answer that question.

Mr. RICE. Do you have a basis for that figure?

Mr. REITZ. I do not care to answer on the ground of incriminating myself. I do not want to answer it.

Mr. RICE. Let me see what records you brought in response to the subpoena.

I have here a copy of the Federal tax return for 1948 in which he indicates, self-employed, commissions \$1,200, and income from tavern \$2,000. The commissions you are talking about, is that from your book?

(Senator O'Connor left the hearing.)

Mr. REITZ. I did not get the question.

Mr. RICE. In 1948, the year you were arrested, you have here, commissions \$1,200; is that what you mean from your book?

Mr. REITZ. In 1948, if I have it down, it must be so.

Mr. RICE. In 1949 you have commissions, \$4,420.

Mr. REITZ. In 1949?

Mr. RICE. Yes.

Mr. REITZ. I have that down there?

Mr. RICE. In 1949—Edward and Margaret Reitz—that is your wife's name?

Mr. REITZ. That is right.

Mr. RICE. You have your income listed as commissions, self-employed, \$4,420.

Mr. REITZ. You are speaking of 1949?

Mr. RICE. Yes.

Mr. REITZ. I don't care to answer that.

Mr. RICE. Are those the commissions that are the same as the commissions made in 1948?

Mr. REITZ. I refuse to answer those questions from 1949 on, on the chance that it will incriminate me.

Mr. RICE. 1950, you have commissions, self-employed, \$4,960. What commissions are you talking about there?

Mr. REITZ. I refuse to answer that on the ground that it may incriminate me.

Mr. RICE. Do you have a bank account?

Mr. REITZ. I have \$50 left in the bank.

Mr. RICE. What bank is that?

Mr. REITZ. That would be Providence Savings Bank of Baltimore.

Mr. RICE. Is it in your name?

Mr. REITZ. That is in both names, my wife's and mine.

Mr. RICE. Do you have a checking account?

Mr. REITZ. No, sir.

Mr. RICE. Savings account?

Mr. REITZ. Other than this \$50.15 balance.

Mr. RICE. What type of account is it?

Mr. REITZ. It is a savings bank of Baltimore—savings account.

Mr. RICE. How long have you had that account?

Mr. REITZ. That is not my account.

Mr. RICE. You and your wife's account?

Mr. REITZ. My name was added to that account. That is my wife's account.

Mr. RICE. When? Is that her maiden name, Stark?

Mr. REITZ. That is right.

Mr. RICE. When did you name go on the account, Mr. Reitz?

Mr. REITZ. My name went on the account shortly after we were married in 1946.

Mr. RICE. So your name went on in 1946?

Mr. REITZ. Latter part of 1946.

Mr. RICE. Referring to the year 1949, I see that the accounts paid on February 8, 1949, interest in the amount of \$5.85 and on February again \$5.82 interest. I don't see anything in the copy of your tax return which indicates your income from that interest. How do you account for that?

Mr. REITZ. What year is that?

Mr. RICE. 1949.

Mr. REITZ. I refuse to answer that on the ground it may incriminate me.

Mr. RICE. The only thing I see here is commissions. Do you consider interest a commission?

Mr. REITZ. What year?

Mr. RICE. 1949.

Mr. REITZ. I refuse to answer those questions in 1949 on the ground that it would incriminate me.

Mr. RICE. Have you reported all your income for the year 1949?

Mr. REITZ. I refuse to answer that.

Mr. RICE. What properties do you own, Mr. Reitz? Do you have a list of them there?

Mr. REITZ. Yes.

Mr. RICE. I wonder if we might see the list?

Mr. REITZ. Sure.

Mr. RICE. I wonder if you might have this exhibited for the record? I take it you prepared it for this purpose?

Mr. REITZ. No; I didn't.

Mr. RICE. Do you have a copy?

Mr. KARLAN. Yes. I suggest, however, that you use it for the purpose of examination. I only made it up as a memorandum. I would prefer you do that than use it as an exhibit in evidence.

Mr. RICE. We have a statement here called "Net worth statement."

Mr. REITZ. No, sir.

Mr. RICE. What is that?

Mr. REITZ. That is my net worth, including cash and property and automobile and everything.

Mr. RICE. As of when?

Mr. REITZ. As of now.

Mr. RICE. As of the moment?

Mr. REITZ. That is right.

Mr. RICE. For what purpose did you prepare this?

Mr. REITZ. I just had it for the records.

Mr. RICE. When was it prepared?

Mr. REITZ. When was this prepared?

Mr. RICE. Yes.

Mr. REITZ. Since I have engaged my attorney.

Mr. RICE. Was it prepared at his office?

Mr. REITZ. That was in his office.

Mr. RICE. Did you supply the information for it?

Mr. REITZ. We got the information from our rough records.

Mr. RICE. Is this since you have been served with a subpoena by this committee?

Mr. REITZ. That is right.

Mr. RICE. And it represents the property that you own? There is no other property that you own but what is on there?

Mr. REITZ. That is all the property.

Mr. RICE. I think we could receive this and make a copy and return it.

Mr. KAPLAN. That is all right, I have a copy.

Senator HUNT. We will accept that as exhibit A.

(The list referred to was marked "Exhibit A" and is on file with the special committee.)

(Senator O'Connor returned to the hearing.)

Senator HUNT. The witness is temporarily dismissed, but will remain under subpoena, unless the witness or counsel has some further statement to make.

Mr. KAPLAN. We have nothing further, sir.

Senator HUNT. You are excused for the time being.

Will you raise your right hand, Mr. Aversa?

Mr. AVERSA. Yes.

Senator HUNT. Do you solemnly swear, in the testimony you will give before this committee, to tell the truth, the whole truth, and nothing but the truth, so help you God?

Mr. AVERSA. I do.

Senator HUNT. For the record, you have two gentlemen with you; will they please identify themselves?

Mr. CRAIN. I am Bennett Crain, and this is Robert Hawkins, counsel for Mr. Aversa.

**TESTIMONY OF THOMAS JOSEPH AVERSA, BALTIMORE, MD.,
ACCOMPANIED BY BENNETT CRAIN AND ROBERT HAWKINS,
ATTORNEYS, BALTIMORE, MD.**

Mr. RICE. What is your full name?

Mr. AVERSA. Thomas Joseph Aversa.

Mr. RICE. Where do you live?

Mr. AVERSA. 403 Marlowe Road.

Mr. RICE. Your wife is Bertha?

Mr. AVERSA. Yes.

Mr. RICE. Where is your place of business, Mr. Aversa?

Mr. AVERSA. I decline to answer that question on the ground that it may incriminate me.

Mr. RICE. Did you understand the question?

Mr. AVERSA. You asked, where is my place of business.

Mr. RICE. Where is your place of business?

Mr. AVERSA. Place of business is 934 North Charles Street, the Chanticleer.

Mr. RICE. That is a club?

Mr. AVERSA. Yes.

Mr. RICE. A night club?

Mr. AVERSA. That is right.

Mr. RICE. Are you the owner of that place?

Mr. AVERSA. No, sir.

Mr. RICE. You are not the owner?

Mr. AVERSA. I am part owner.

Mr. RICE. You are part owner?

Mr. AVERSA. Yes.

Mr. RICE. What part do you own?

Mr. AVERSA. I own 50 percent of the stock.

Mr. RICE. Is it a corporation?

Mr. AVERSA. A corporation.

Mr. RICE. What is the name of the corporation?

Mr. AVERSA. I think it is the Eager——

Mr. RICE. How do you spell that?

Mr. AVERSA. Or the New Chanticleer, Inc.

Mr. RICE. Who are the officers of that corporation?

Mr. AVERSA. Harry D. Miller.

Mr. RICE. Harry D. Miller?

Mr. AVERSA. Harry D. Miller.

Mr. RICE. Where does he live or where is his place of business?

Mr. AVERSA. His place of business is with me.

Mr. RICE. Where does he live?

Mr. AVERSA. I don't know his address right now.

Mr. RICE. Does he live in a house or apartment?

Mr. AVERSA. He lives in a home.

Mr. RICE. He is the president?

Mr. AVERSA. He is the president.

Mr. RICE. Who are the other officers?

Mr. AVERSA. Michael Goldstein.

Mr. RICE. Michael Goldstein?

Mr. AVERSA. That is right.

Mr. RICE. What business?

Mr. AVERSA. He manages the club.

Mr. RICE. He manages the club?

Mr. AVERSA. That is right.

Mr. RICE. Where does he live?

Mr. AVERSA. He lives somewhere on Loyola Southway.

Mr. RICE. What officer is he?

Mr. AVERSA. I don't know.

Mr. RICE. Is he vice president?

Mr. AVERSA. I think I am the vice president.

Mr. RICE. Don't you know?

Mr. AVERSA. It has been several years, 7 or 8 years since we had it, and I haven't paid much attention to it.

Mr. RICE. Do you have any corporate meetings? Do you have any meetings of the corporation?

Mr. AVERSA. No, sir.

Mr. RICE. You don't have any meetings of the corporation?

Mr. AVERSA. No, sir.

Mr. RICE. Who is the secretary?

Mr. AVERSA. He could possibly be the secretary.

Mr. RICE. Who can?

Mr. AVERSA. Mr. Goldstein.

Mr. RICE. Mr. Goldstein could be?

Mr. AVERSA. Yes.

Mr. RICE. Who keeps the books and records for the corporation?

Mr. AVERSA. Mr. Henry Hyman is our auditor.

Mr. RICE. Mr. Henry Herman?

Mr. AVERSA. Hyman.

Mr. RICE. How do you spell that?

Mr. AVERSA. H-y-m-a-n.

Mr. RICE. Where do you find him?

Mr. AVERSA. He has an office. You can locate him through the Chanticleer. You won't have any trouble.

Mr. RICE. Where is his office?

Mr. AVERSA. I don't know offhand.

Mr. RICE. Is he a certified public accountant?

Mr. AVERSA. Yes, sir.

Mr. RICE. He keeps all the books and records?

Mr. AVERSA. Yes, sir.

Mr. RICE. He doesn't come up every day?

Mr. AVERSA. He comes there whenever it is necessary.

Mr. RICE. Who keeps the daily records?

Mr. AVERSA. The place does.

Mr. RICE. What is the name of the person in the place who keeps the daily records?

Mr. AVERSA. The secretary, you mean?

Mr. RICE. You have so much income in there each day. You have a cash register there, don't you?

Mr. AVERSA. Yes. We have an office girl.

Mr. RICE. She keeps the daily books and turns them over to Mr. Hyman?

Mr. AVERSA. That is right.

Mr. RICE. What is her name?

Mr. AVERSA. Rose Pearlman.

Mr. RICE. Your investment is how much in the Chanticleer?

Mr. AVERSA. I don't know.

Mr. RICE. How much? Fifty percent?

Mr. AVERSA. Fifty percent.

Mr. RICE. Who owns the other 50 percent?

Mr. AVERSA. Harry Miller.

Mr. RICE. How about Miller? Does he own stock?

Mr. AVERSA. No, sir.

Mr. RICE. Can you be an officer without owning stock? Are you fellows also directors? Are you a director?

MR. AVERSA. It must be so. It must be a legal term.

MR. RICE. What lawyer handles the corporation?

MR. AVERSA. Emanuel Gorfine.

MR. RICE. Who keeps the corporate records as distinguished from your accounting records?

MR. AVERSA. What do you mean?

MR. RICE. For example, your certificate of incorporation and your stock book, stock transfer book, and minutes of the meetings?

MR. AVERSA. I don't think I understand the question.

MR. RICE. Who keeps your corporate records, your minutes and things like that, of the meetings?

MR. AVERSA. I would say, Mr. Hyman does.

MR. RICE. Mr. Hyman, the accountant?

MR. AVERSA. That is right.

MR. RICE. You don't know, do you?

MR. AVERSA. I am not certain, but I feel that is about the only guy that could keep them, the accountant.

MR. RICE. I have a record here which apparently is in the nature of a net worth statement which says that in 1944 there was \$35,000 invested in the New Chanticleer; is that right?

MR. AVERSA. Possibly, if you have it there.

MR. RICE. How much did you invest?

MR. AVERSA. Just what you have there.

MR. RICE. How much did you invest?

MR. AVERSA. I have no idea. You have the right figure.

MR. RICE. Don't you know how much you have in there?

MR. AVERSA. You have it in there.

MR. RICE. This says \$35,000. Don't you know independent of this?

Senator HUNT. Won't you answer the questions instead of baiting the counsel? He asked you a question. Don't answer, "You have it there." If you know, say you know. If you don't know, say so.

MR. AVERSA. I don't know if we put any more money to it.

MR. RICE. Whom do you mean by "we"?

MR. AVERSA. My partner and I.

MR. RICE. Since you put up your original investment, have you put any more money in it?

MR. AVERSA. I don't know.

MR. RICE. I have here a long sheet of paper with your name and your wife's name at the top and various years. Do you know what that is?

MR. AVERSA. I don't follow the question.

MR. RICE. Do you know what the paper represents, what are those figures?

MR. AVERSA. I imagine those are my tax returns.

MR. RICE. Those are not your tax returns. This is a paper listing, apparently, interests you have, cash in the bank, cash on hand, savings account. Take a look at it. Maybe you can help him, counsel. It looks like a net worth statement.

MR. HAWKINS. That is what it is. It was prepared by the accountant.

MR. RICE. Yes, sir.

MR. HAWKINS. At his request.

MR. RICE. Do you know what it is, Mr. Witness?

Mr. AVERSA. It is a net worth statement from what I can see of it.

Mr. RICE. The figures on there, were they supplied by you?

Mr. CRAIN. That is the only place he could have gotten them.

Mr. AVERSA. I was being investigated by the Internal Revenue.

Mr. RICE. When was this?

Mr. AVERSA. This was in the past 6 or 8 months.

Mr. RICE. In what years where they interested?

Mr. AVERSA. Those are the years they were interested in, I think.

Mr. RICE. They are the years 1943 to 1949?

Mr. AVERSA. Yes, sir.

Mr. RICE. That was all?

Mr. AVERSA. I dug up what stuff I could for them.

Mr. RICE. And this is what you dug up and this is the result of what you dug up?

Mr. AVERSA. Yes.

Mr. RICE. So this is a net worth statement, at least as of the year 1949, showing total assets \$102,695.48 from cash in bank, cash on hand, savings accounts. Where is that savings account?

Mr. AVERSA. Calvert Bank.

Mr. RICE. In your name?

Mr. AVERSA. Yes, sir.

Mr. RICE. Notes receivable, series E bonds, investments in New Chanticleer, real estate on Cross Street, Elimony Avenue, Raymond, Darling and your residence on Marlowe, and your automobile. Have you acquired any additional assets in the year 1950?

Mr. AVERSA. I decline to answer that question on the ground that I may incriminate myself.

Mr. RICE. We are talking about 1950. The tax people were only interested up to 1949. Have you acquired any additional assets in 1950?

Mr. AVERSA. I decline to answer the question.

Mr. RICE. Are you under indictment?

Mr. AVERSA. No, sir.

Mr. RICE. Declining to answer, do you fear a prosecution for a Federal or State offense?

Mr. AVERSA. I decline to answer the question on the ground that it may incriminate me.

Mr. RICE. Do you fear prosecution for a transaction involving yourself or others?

Mr. AVERSA. I decline to answer the question on the ground that it may incriminate me.

Mr. RICE. The transaction from which you fear prosecution, did it occur more than 5 years ago?

Mr. AVERSA. I decline to answer the question on the ground that it may incriminate me.

Mr. RICE. I see back here in 1946 that you had some income from racing, \$7,000. What does that mean?

Mr. AVERSA. I decline to answer the question on the ground that it may incriminate me.

Mr. RICE. I see in 1948 you had income from speculations on races of \$16,255. What do you mean by that?

Mr. AVERSA. I decline to answer the question on the ground that it may incriminate me.

Mr. RICE. I see you have speculations on gambling in the same year in the amount of \$8,750. What is that from?

Mr. AVERSA. I decline to answer that question on the ground that it may incriminate me.

Mr. RICE. What gambling are you talking about?

Senator HUNT. The counsel asked you a question.

Mr. RICE. What gambling are you talking about? This is on your tax returns.

Mr. AVERSA. I decline to answer the question on the ground that it may incriminate me.

Mr. RICE. I think I will ask the Chair to direct you to answer that question. You understand this is on your tax return, speculations on gambling \$9,750. What do you mean by gambling?

Mr. AVERSA. I decline to answer the question on the ground that it may incriminate me.

Senator HUNT. The acting chairman directs the witness to answer the question; what is the meaning of the word "gambling" on your tax return in the amount of \$9,750?

Mr. AVERSA. I decline to answer the question on the ground that it may incriminate me.

Mr. RICE. In 1950 we find speculations on races \$16,340. What do you mean by "speculation on races"?

Mr. AVERSA. I decline to answer the question on the ground that it may incriminate me.

Mr. HAWKINS. Excuse me, Counsel. I do not believe you are reading from the same paper, are you?

Mr. RICE. I am not reading from his tax return. I am reading from a recapitulation taken from the tax return.

Mr. HAWKINS. I didn't think there was anything on the paper that we submitted to the committee for 1950. I may be mistaken about that. I just wanted to keep it straight.

Mr. RICE. 1950, speculations on races, \$16,000. It was indicated he felt he was under investigation for the year 1949, but, frankly, Counsel, I see no reason for refusing to answer for the year 1950. Do you have any other reason, any special circumstances?

Mr. AVERSA. I decline to answer.

Senator HUNT. You decline to answer that question?

Mr. AVERSA. I decline to answer that question on the ground that it may incriminate me.

Mr. RICE. I have here a paper headed, "Thomas J. Aversa," and ask you if you recognize that. Do you recognize that?

Senator HUNT. Counsel may advise the witness.

Mr. CRAIN. I have never seen it.

Mr. HAWKINS. I have not either. I do not know where it came from. Have you ever seen it before?

Mr. AVERSA. I haven't seen it before.

Mr. RICE. It may help you to remember if I suggest that it was among the papers submitted in response to a subpoena served on you.

Mr. CRAIN. I don't think so.

Mr. HAWKINS. This may have been a rearrangement of some other figures.

Mr. RICE. A recapitulation.

Mr. HAWKINS. Yes.

Mr. RICE. Let's get at it this way. In the column on the left the years from 1945 to 1950 are indicated along with gross figures. In the next column, net figures. Do you recognize those figures as being figures relating to your income?

Mr. HAWKINS. I assume you mean those are net and gross income.

Mr. RICE. I take it to be that.

Mr. CRAIN. The papers we submitted were a large sheet that you have, plus his income-tax returns. Without his having a chance to go over that and check back the figures—

Mr. HAWKINS. I do not see how he can know the answers.

Mr. RICE. Have you ever had any income from the New Chanticleer? Has it ever paid you anything? Have you ever received a salary, dividends?

Mr. AVERSA. Yes.

Mr. RICE. Did you receive a figure of \$8,000 in 1945?

Mr. AVERSA. Perhaps.

Mr. RICE. Did you?

Mr. AVERSA. Evidently so, if it is there. My reports will show that, my tax returns will show that.

Mr. RICE. How about the New York Novelty Co.? Have you had income from the New York Novelty Co.?

Mr. AVERSA. I decline to answer that question.

Mr. RICE. Suppose your tax returns showed that you have?

Mr. AVERSA. I have an income from—I didn't get the question. Would you repeat the question?

Mr. RICE. Suppose your tax return showed you had an income from the New York Novelty Co., would you then admit you had income from the New York Novelty Co.?

Mr. AVERSA. Yes.

Mr. RICE. Have you had income from the New York Novelty Co.?

Mr. AVERSA. Yes.

Mr. RICE. Ever?

Mr. AVERSA. Yes.

Mr. RICE. What was the nature of the business of the New York Novelty Co.?

Mr. AVERSA. I decline to answer that on the ground that it may incriminate me.

Mr. RICE. You have here, in 1947, rents from store front. Do you own a store front?

Mr. AVERSA. Yes, sir.

Mr. RICE. Where is that located?

Mr. AVERSA. 20 East Cross Street.

Mr. RICE. What business is in that store?

Mr. AVERSA. I decline to answer that on the ground that it might incriminate me.

Mr. RICE. Do you own the building?

Mr. AVERSA. Yes, sir.

Mr. RICE. Do you lease the building to someone? Do you lease the building on East Cross to someone? Do you lease that building to someone?

Mr. AVERSA. Yes, sir.

Mr. RICE. To whom do you lease it?

Mr. AVERSA. Edward J. Jenkins.

MR. RICE. Is he sometimes called "Wop" Jenkins?

MR. AVERSA. I decline to answer that.

MR. RICE. Do you know?

MR. AVERSA. I don't know.

MR. RICE. What business is Jenkins in?

MR. AVERSA. He has a tavern there.

MR. RICE. He has a tavern? What are the arrangements of the lease? Do you have a written lease?

MR. AVERSA. No, sir.

MR. RICE. An oral lease? What are the arrangements?

MR. AVERSA. About \$75 a month.

MR. RICE. For the whole tavern?

MR. AVERSA. Yes.

MR. RICE. How does he pay that?

MR. HAWKINS. Do you mean by cash or check?

MR. RICE. Cash or check?

MR. AVERSA. Cash.

MR. RICE. To whom does he pay it?

MR. AVERSA. To me.

MR. RICE. Do you give him a receipt?

MR. AVERSA. No.

MR. RICE. Is he current, up to date in his payments?

MR. AVERSA. Yes.

MR. RICE. Is that the rental?

MR. AVERSA. I think it is \$75.

MR. RICE. Don't you know?

MR. AVERSA. It is \$75 at the present. At one time I was charging him \$50.

MR. RICE. You are the landlord, though?

MR. AVERSA. Yes.

MR. RICE. What do you do with the \$75 when you get it?

MR. AVERSA. What do I do with it?

MR. RICE. Yes. Do you put it in your bank?

MR. AVERSA. I put it in my bank or in my pocket.

MR. RICE. Who keeps the record of the income from the rent that Mr. Jenkins pays?

MR. AVERSA. That shows up by the year.

MR. RICE. You don't have a record of that?

MR. AVERSA. No.

MR. RICE. In making up your tax return at the end of the year, how do you know how much you collected that way?

MR. AVERSA. I know by how many months he has been there.

MR. RICE. You just multiply it by 12? Do you keep any records of that income that goes into your bank account and into your pocket? Do you keep any books?

MR. AVERSA. I don't keep any records.

MR. RICE. You don't keep books on that at all? What do you mean by "speculations on races"?

MR. AVERSA. I decline to answer that question on the ground that it may incriminate me.

MR. RICE. Do you receive any income from speculations on races?

MR. AVERSA. I decline to answer that question on the ground that it may incriminate me.

Mr. RICE. In connection with the place at 20 East Cross Street, that is Jenkins' place, isn't it?

Mr. AVERSA. Yes, sir; it is under the name of Jenkins.

Mr. RICE. Who got the telephone in there, who arranged for the telephone?

Mr. AVERSA. I decline to answer that question on the ground that it may incriminate me.

Mr. RICE. Let's see if we understand that or not. You are refusing to answer about who got the telephone because it may incriminate you. Is there a telephone in there?

Mr. AVERSA. Yes, sir.

Mr. RICE. In whose name is it?

Mr. AVERSA. I wouldn't know.

Mr. RICE. You don't know whose name it is?

Mr. AVERSA. No.

Mr. RICE. Do you know the number?

Mr. AVERSA. Yes, sir.

Mr. RICE. What is the number?

Mr. AVERSA. Lexington 9-0005. It is a pay station.

Mr. RICE. A pay station?

Mr. AVERSA. A pay station.

Mr. RICE. You don't know who arranged for that telephone in there?

Mr. AVERSA. To my knowledge, I don't.

Mr. RICE. Why do you think that would incriminate you, then? Have you ever heard of Tom Moore?

Do you know a Tom Moore?

Mr. AVERSA. I decline to answer that question on the ground that it might incriminate me.

Mr. RICE. Do you know Tom Moore?

Mr. AVERSA. I decline to answer the question on the ground that it might incriminate me.

Mr. RICE. Have you transacted any business with the Howard Sports News?

Mr. AVERSA. I decline to answer that question on the ground that it may incriminate me.

Mr. RICE. I would like to ask the Chair to direct the witness to answer that question.

Senator HUNT. Have you transacted any business with Howard Sports News? I direct the witness to answer the question, "Yes" or "No."

Mr. AVERSA. I decline to answer the question.

Senator HUNT. We will temporarily excuse the witness, and he will remain subject to the subpoena.

(Whereupon, at 1 p. m., the committee recessed to reconvene at 2:30 p. m. the same day.)

AFTERNOON SESSION

(Whereupon, the committee reconvened at 2:30 p. m., Senator Alexander Wiley presiding.)

Senator WILEY. We will call Mr. Willis M. King.

TESTIMONY OF WILLIS M. (BUZZ) KING, BALTIMORE, MD.,
ACCOMPANIED BY WILLIAM GREENFELD, ATTORNEY, BALTI-
MORE, MD.

Senator WILEY. Do you solemnly swear that the evidence you will give in this matter will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. KING. I do.

Mr. GREENFELD. Before you start interrogation, Mr. King employed me last Friday and I haven't had sufficient time to go into the matter, with regard to all I wanted to check on the question. For that reason I would like to have this postponed for a reasonable length of time.

Mr. MOSER. Let us get the witness' name and address and your name and address.

Mr. KING. Willis M. King, 1301 Lakeside Avenue.

Mr. MOSER. Is that your residence?

Mr. KING. Yes.

Mr. MOSER. What is your name?

Mr. GREENFELD. William Greenfeld.

The CHAIRMAN. I might say to my colleague that Judge Greenfeld is a very splendid member of the Baltimore bar. He enjoys a very good reputation.

Mr. GREENFELD. Thank you, sir. 600 Court Square Building.

Mr. MOSER. I would like to say, of course, you understand, Judge, the purpose of our hearing is not to attack anybody, though some people have gotten that impression. Our purpose is to get information for the purpose of legislation. We are not laying for Mr. King. We are trying to talk to him because we think perhaps he knows things that will be helpful in adopting proper legislation.

You said you wanted to look up some law and so forth. Is that on the question of privilege?

Mr. GREENFELD. I don't know. I haven't had sufficient time to go into the matter. I want to go into the matter. Maybe he will cooperate. I cannot answer at this time.

I would like to talk to Mr. King. I haven't had sufficient opportunity. This was something that came along just in the last couple of days and then the week end intervened.

I do not know that any harm can be done. I am always willing to help enact legislation for the benefit of the committee.

For those various reasons I ask the postponement of the hearing of Mr. King.

Mr. MOSER. Mr. King, is it your inclination to cooperate with the committee and furnish us with information, or are you inclined to claim privilege, or don't you know yet?

Mr. GREENFELD. If you will bear with me for a moment, that is a right difficult question for Mr. King to answer until I have had really an opportunity to go into detail with him on certain things that I think I have to learn myself. I am going to have to be the one in the final analysis to advise him, and at this moment I just can't do it.

Senator O'Connor has known me well up to today and if it is a matter of cooperation as far as legislation is concerned, I am sure I will be the last one to ever stand in its way.

Mr. MOSER. How much time were you thinking of?

Mr. GREENFELD. I will leave that to you.

Mr. MOSER. You are the one who wants the time.

Mr. GREENFELD. I would think a week or so. I don't want an unreasonable length of time.

Senator WILEY. When was he subpoenaed?

Mr. MOSER. The 16th of June.

Senator WILEY. He has had 2 weeks, then.

Mr. GREENFELD. He hasn't had 2 weeks exactly. He wasn't able to secure counsel and did not secure counsel until last Friday, Senator.

Mr. MOSER. He was told on Friday to be here today, I understand.

We are inclined to say a week is all right. A week from Friday.

Mr. GREENFELD. That will be all right.

Thank you very much, gentlemen.

Mr. RICE. Neither Sapperstein nor Goldberg answer.

TESTIMONY OF JOHN JOSEPH MADDOCK, LAUREL, MD., ACCOMPANIED BY T. EDWARD O'CONNELL, ATTORNEY, WASHINGTON, D. C.

Senator HUNT. Are you Mr. Joseph Maddock?

Mr. MADDOCK. John Joseph.

Senator HUNT. Will you stand and be sworn, Mr. Maddock, please.

Do you solemnly swear that the testimony you will give this committee will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. MADDOCK. I do.

Mr. RICE. Where do you live, Mr. Maddock?

Mr. MADDOCK. In Laurel, Md.

Mr. RICE. What address?

Mr. MADDOCK. Rockaway Farms.

Mr. RICE. How do you spell that?

Mr. MADDOCK. M-a-d-d-o-c-k.

Mr. RICE. There is no "s" on it?

Mr. MADDOCK. No.

Mr. RICE. M-a-d-d-o-c-k?

Mr. MADDOCK. That is right.

Mr. RICE. What is your address there?

Mr. MADDOCK. Just Laurel, Md.

Mr. RICE. Do you live in a residence there?

Mr. MADDOCK. Yes, sir.

Mr. RICE. Who lives there with you?

Mr. MADDOCK. My wife.

Mr. RICE. What is her name?

Mr. MADDOCK. Frances.

Mr. RICE. What is the telephone number?

Mr. MADDOCK. 438.

Mr. RICE. Whose name is that in?

Mr. MADDOCK. John Maddock.

Mr. RICE. How long have you been living there?

Mr. MADDOCK. About 8 years.

Mr. RICE. Do you own the place?

Mr. MADDOCK. Yes, sir.

Mr. RICE. Jointly with your wife?

Mr. MADDOCK. Well, I believe so.

Mr. RICE. Don't you know?

Mr. MADDOCK. I don't know what you mean.

Mr. RICE. Is it survivorship?

Mr. O'CONNELL. Jointly; yes, sir.

Mr. RICE. What do you estimate as the value of that place, Mr. Maddock?

Mr. MADDOCK. I built it myself. I have been building it for 3 years. It cost me about \$20,000 or \$25,000 to build it.

Mr. RICE. What would you sell it for?

Mr. MADDOCK. Maybe around \$40,000.

Mr. RICE. You would sell it for around forty? Would you take an offer of \$40,000?

Mr. MADDOCK. Yes.

Mr. RICE. Now, do you own any other property?

Mr. MADDOCK. Yes.

Mr. RICE. What other property do you own?

Mr. MADDOCK. I own the ground that the diner sets on.

Mr. RICE. The ground that the diner is on?

Mr. MADDOCK. Yes; right next to it.

Mr. RICE. What is the name of that diner?

Mr. MADDOCK. Outriders Diner.

Mr. RICE. Do you own the diner?

Mr. MADDOCK. No, sir.

Mr. RICE. You just own the ground?

Mr. MADDOCK. I leased the ground.

Mr. RICE. To whom did you lease to?

Mr. MADDOCK. William Mayugh.

Mr. RICE. How do you spell that?

Mr. MADDOCK. M-u-y-u-g-h, I believe.

Mr. RICE. Do you have a lease with Mayugh?

Mr. MADDOCK. Yes.

Mr. RICE. Where is that?

Mr. MADDOCK. I might have it in a safe deposit box.

Mr. RICE. Where is your safe deposit box?

Mr. MADDOCK. City Bank.

Mr. RICE. What city?

Mr. MADDOCK. Washington.

Mr. RICE. Where is that located?

Mr. MADDOCK. Ninth and Mount Vernon, I believe.

Mr. RICE. Do you have any other safe deposit boxes?

Mr. MADDOCK. My wife has one in Laurel.

Mr. RICE. In what bank?

Mr. MADDOCK. Citizens Bank, there. There is only one bank there.

Mr. RICE. Do you have a key to that box?

Mr. MADDOCK. I have never been in it.

Mr. RICE. You don't have a key to your wife's box?

Mr. MADDOCK. I haven't got one.

Mr. RICE. Is this a joint box at Laurel?

Mr. MADDOCK. Yes.

Mr. RICE. But you have never been in it.

Mr. MADDOCK. No.

Mr. RICE. How about the box here, is that a joint box?

Mr. MADDOCK. No.

Mr. RICE. That is yours, individually?

Mr. MADDOCK. Yes.

Mr. RICE. You have a key?

Mr. MADDOCK. Yes.

Mr. RICE. You have the lease to the Mayugh property there?

Mr. MADDOCK. I believe so, yes.

Mr. RICE. Was that lease drawn by a lawyer?

Mr. MADDOCK. It was drawn by Mr. Plunkert.

Mr. RICE. Is he a lawyer?

Mr. MADDOCK. A real estate man.

Mr. RICE. Where is he located?

Mr. MADDOCK. 1404 M Street NW.

Mr. RICE. How long is the lease for?

Mr. MADDOCK. Ten years. I don't remember. I think it was '47.

Mr. RICE. And how much per month?

Mr. MADDOCK. 2.5 percent of the gross.

Mr. RICE. Two and a half percent of the gross business done by the diner.

Mr. MADDOCK. That is right.

Mr. RICE. Who keeps the books and records so you can figure out what your percentage is?

Mr. MADDOCK. They have an auditor and he gives me a little slip with it on at the end of the month.

Mr. RICE. How much did that amount to last year, for the year 1950?

Mr. MADDOCK. About \$2,500.

Mr. RICE. For the entire year?

Mr. MADDOCK. Yes. It runs between \$2,500 and \$3,000.

Mr. RICE. Do you have any other properties?

Mr. MADDOCK. I have a house jointly with my mother. Between my mother and myself.

Mr. RICE. Where is that located?

Mr. MADDOCK. In Laurel.

Mr. RICE. What is your mother's name?

Mr. MADDOCK. Anastasia.

Mr. RICE. Is she living in the house?

Mr. MADDOCK. Not now. She is living with me now.

Mr. RICE. She is living with you?

Mr. MADDOCK. Yes.

Mr. RICE. Is that house rented?

Mr. MADDOCK. Not now.

Mr. RICE. What condition is the house in?

Mr. MADDOCK. I am remodeling it now.

Mr. RICE. Do you want to sell that?

Mr. MADDOCK. I am going to rent it.

Mr. RICE. You are going to rent it?

Mr. MADDOCK. Yes.

Mr. RICE. Do you have any other properties?

Mr. MADDOCK. I have property with Plunkert.

MR. RICE. With Mr. Plunkert?

MR. MADDOCK. Yes.

MR. RICE. What property is that?

MR. MADDOCK. We have a lot of ground, a lot of lots and acreage.

MR. RICE. Are they all vacant lots?

MR. MADDOCK. Nearly all of it is undeveloped ground.

MR. RICE. Is any owned by a corporation?

MR. MADDOCK. Some of it is.

MR. RICE. Plunkert & Maddock Corp.?

MR. MADDOCK. Yes, sir.

MR. RICE. Are you an officer in that corporation?

MR. MADDOCK. Yes, sir.

MR. RICE. What officer are you?

MR. MADDOCK. President.

MR. RICE. You are what?

MR. MADDOCK. President.

MR. RICE. What is he?

MR. MADDOCK. Secretary and treasurer.

MR. RICE. That is a closed corporation, just the two of you?

MR. MADDOCK. There is one more party.

MR. RICE. Who is that?

MR. MADDOCK. M. E. Spinks.

MR. RICE. How do you spell that?

MR. MADDOCK. S-p-i-n-k-s.

MR. RICE. Where does Mr. Spinks live?

MR. MADDOCK. That is a Miss.

MR. RICE. Where does Miss Spinks live?

MR. MADDOCK. On Riggs Mill Road—no; Riggs Road.

MR. RICE. Is Miss Spinks in business?

MR. MADDOCK. No.

MR. RICE. How does she happen to be in this corporation?

MR. MADDOCK. We used her for a straw.

MR. RICE. How did you happen to know Miss Spinks?

MR. MADDOCK. I knew her from Mr. Plunkert.

MR. RICE. Mr. Plunkert arranged that?

MR. MADDOCK. Yes.

MR. RICE. I have here some records I presume you submitted, indicating that the assets of Plunkert & Maddock at the end of 1950 were \$139,848.80. Does that sound about right?

MR. MADDOCK. If that is what I submitted, that is what it was. I got them papers out of the office when I was subpoenaed.

MR. RICE. That is all real estate business, buying and selling properties?

MR. MADDOCK. Yes; and building houses.

MR. RICE. Do you have another corporation, John Maddock?

MR. MADDOCK. I had it but it dissolved.

MR. RICE. Was that also in the real estate business?

MR. MADDOCK. Yes, sir.

MR. RICE. When that was terminated that went over into Plunkert & Maddock?

MR. MADDOCK. No; that house my mother had, I had that in the corporation.

MR. RICE. But Maddock is dissolved now.

MR. MADDOCK. Yes.

MR. RICE. Do you also have a partnership with Plunkert?

MR. MADDOCK. Yes.

MR. RICE. That is in addition to——

MR. MADDOCK. Yes.

MR. RICE. Why do you have a partnership and also a corporation with him?

MR. MADDOCK. Don't ask me, I don't know.

MR. RICE. Well, you are part of it.

MR. MADDOCK. I rely more on him for real-estate advice than anything else.

MR. RICE. Yes; but it would look just to us as if the corporation could do everything that the partnership could do. Why is it necessary to have a partnership and a corporation?

SENATOR HUNT. Would it be because of the tax payments differ—the income tax payments differ between a partnership and a corporation?

MR. MADDOCK. Not that I know of.

SENATOR HUNT. They do. I can tell you that.

MR. RICE. Who keeps the books and records for the corporation?

MR. MADDOCK. Who is it?

MR. O'CONNELL. Joseph O'Connell.

MR. MADDOCK. In Silver Spring.

MR. RICE. Is he an accountant?

MR. MADDOCK. Yes, sir.

MR. RICE. How about the partnership?

MR. MADDOCK. I believe Mr. Plunkert keeps that.

MR. RICE. Does the partnership have any assets?

MR. MADDOCK. Yes; we got assets.

MR. RICE. What do you have in the partnership?

MR. MADDOCK. We got notes and we got property.

MR. O'CONNELL. I might say at this time, Mr. Maddock authorized me to call Mr. Farrell and suggest to him that the office was open if they want to send any number of men they wanted to go through all the records and completely explore it to the committee's satisfaction.

MR. RICE. That is Mr. Farrell in Silver Spring?

MR. O'CONNELL. No; the assistant on your committee.

MR. RICE. Where would he go to get this information?

MR. O'CONNELL. At 1404 M Street NW.

MR. MADDOCK. That is our office in Washington.

MR. RICE. You use an address box 32, Riggs Mill Road?

MR. MADDOCK. That is where Spinks lives.

MR. RICE. But your office is at M Street.

MR. MADDOCK. That is right.

MR. RICE. Do you have any other business besides this real-estate business?

MR. MADDOCK. I refuse to answer on the grounds it might incriminate me.

MR. RICE. Are you under indictment?

MR. MADDOCK. Not that I know of.

MR. RICE. You would know if you were under indictment?

MR. MADDOCK. No; I don't know.

MR. RICE. You don't know that you are under indictment?

MR. MADDOCK. No.

Mr. RICE. Are you under investigation by any agency that you know of?

Mr. MADDOCK. This one, I am.

Mr. RICE. You are under investigation by this committee?

Mr. MADDOCK. Yes; am I not?

Mr. RICE. And any other agency that you know of?

Mr. MADDOCK. I don't know.

Mr. RICE. In connection with the question, what other business do you have, do you fear prosecution of a Federal or a State offense?

Mr. MADDOCK. Both.

Mr. RICE. Do you have a specific offense in mind from which you fear prosecution?

Mr. MADDOCK. No specific offense.

Mr. RICE. You have no specific offense?

Mr. MADDOCK. No.

Mr. RICE. Is this a hypothetical thing? Something that you think might happen to you or do you know, exactly?

Mr. MADDOCK. Something that might happen.

Senator HUNT. May I admonish the counsel, please, not to answer every question for the witness. We will not object at all to counsel conferring with the witness.

Mr. O'CONNELL. He appears to be rather excited and I have a good idea what his answer might be. I am not tipping him off as to what the answer should be.

Senator HUNT. If we may then, counsel, when there seems to be some lack of determination on the part of the witness, then we will allow you to converse with him.

Mr. RICE. Now, you say you have no definite offense in mind, about what other business you are in this year?

(No response.)

Mr. RICE. What other business besides this real estate are you in?

Mr. MADDOCK. I refuse to answer that on the ground I might incriminate myself.

Mr. RICE. The thing you are afraid you might incriminate yourself about, does that involve yourself or other people?

Senator HUNT. The Chairman didn't mean to indicate you couldn't converse with your counsel, if you wish.

Mr. MADDOCK. I am afraid I will incriminate myself.

Mr. RICE. You do not know whether it involves yourself, or others, or both?

Mr. MADDOCK. Will you repeat the question?

Mr. RICE. Does the offense which you have in mind involve yourself, or others?

Mr. MADDOCK. Myself.

Mr. RICE. It involves yourself?

Mr. MADDOCK. Yes.

Mr. RICE. You say it is a violation of both Federal and State laws?

Mr. MADDOCK. I refuse to answer that.

Mr. RICE. Do you know?

(No response.)

Mr. RICE. Do you know the answer? There is a difference between knowing the answer and refusing to answer.

Mr. MADDOCK. I refuse to answer on the ground that I might incriminate myself. I don't know.

Mr. RICE. Let us let the reporter read the question back to him.
The REPORTER (reading) :

You say it is a violation of both Federal and State laws?

Mr. RICE. Is it a violation of both Federal and State laws?

Mr. MADDOCK. I fear both Federal and State laws, yes.

Mr. RICE. You fear, but do you have a definite violation in mind?

Mr. MADDOCK. I refuse to answer that on the grounds that it might incriminate me.

Mr. RICE. Now, going back to 1944, what business were you in, in 1944?

Mr. MADDOCK. I know I was in the real estate business.

Mr. RICE. In 1944 you were in the real estate business?

Mr. MADDOCK. I have been in the real estate business since 1935, I believe, or 1936.

Mr. RICE. In 1944, were you in any other business?

Mr. MADDOCK. I refuse to answer that on the ground I might incriminate myself.

Mr. RICE. I take it that your answer is the same, that you fear incrimination through both Federal and State offenses in something that occurred in 1944?

Mr. MADDOCK. Yes.

Mr. RICE. Were you in business with a man by the name of Oppleman, in 1944?

Mr. MADDOCK. I refuse to answer that on the ground I might incriminate myself.

Mr. RICE. Do you know a man by the name of Oppleman?

Mr. MADDOCK. I refuse to answer that on the ground I might incriminate myself.

Mr. RICE. I think it would be wise to ask the chair to direct the witness to answer with respect to the question about 1944, to answer the question whether or not he had any business with Oppleman in 1944.

Senator HUNT. The acting chairman directs the witness to answer the question, "Did you have any business with a Mr. Oppleman in 1944?"

Mr. MADDOCK. I refuse to answer on the grounds I might incriminate myself.

Mr. RICE. I wonder if Mr. O'Connell would help the witness to agree that the statute of limitations on both Federal and State violations, with the possible exception of murder, has operated.

Mr. O'CONNELL. If the committee can guarantee the witness immunity against State and Federal prosecution, perhaps he might answer.

Mr. RICE. Have you ever heard of the statute of limitations, Mr. Maddock?

Mr. MADDOCK. I don't know. I have heard of it.

Mr. RICE. You do not know whether you have heard of it or not?

Mr. MADDOCK. Well, I have heard of it. I have heard people talking about it and this and that.

Mr. RICE. What does it mean?

(No response.)

Mr. RICE. How much education do you have, Mr. Maddock?

Mr. MADDOCK. I didn't finish grammar school.

Mr. RICE. What grade did you go to, in grammar school?

Mr. MADDOCK. The sixth grade.

Mr. RICE. Do you read and write?

Mr. MADDOCK. Yes.

Mr. RICE. Do you know a man by the name of King?

Mr. MADDOCK. I refuse to answer that on the grounds that it might incriminate me.

Mr. RICE. Do you know a man by the name of Paddy Clark?

Mr. MADDOCK. I refuse to answer that on the grounds that it might incriminate me.

Mr. RICE. Do you know a man by the name of Howard Ortel?

Mr. MADDOCK. I refuse to answer that on the grounds that it might incriminate me.

Mr. RICE. Do you know a man named Edward O'Connell.

Mr. O'CONNELL. Which one?

Mr. RICE. T. E.

Mr. O'CONNELL. Yes.

Senator HUNT. The Chair directs the witness to answer the question.

Mr. RICE. How long have you known Mr. O'Connell?

Mr. MADDOCK. Twenty years, I believe.

Mr. RICE. Has he represented you from time to time during that time?

Mr. MADDOCK. Yes.

Mr. RICE. Have you ever been arrested?

Mr. MADDOCK. I refuse to answer that on the grounds that it might incriminate me.

Mr. RICE. Have you ever been arrested and convicted?

Mr. MADDOCK. No.

Mr. RICE. You have never been convicted?

Mr. MADDOCK. No. I might have paid a fine or something. Is that conviction?

Mr. O'CONNELL. It couldn't be anything else.

Mr. RICE. What is the offense that you mentioned that you paid a fine on?

Mr. MADDOCK. Oh, I don't know, it was traffic or maybe being drunk and disorderly. I don't know.

Mr. RICE. Let us get a little definite.

Mr. MADDOCK. It has been so long ago since I have been arrested—it was in the thirties, I think.

Mr. RICE. Where were you arrested?

Mr. MADDOCK. Here in Washington.

Mr. RICE. Did you spend any time in jail?

Mr. MADDOCK. No.

Mr. RICE. Did the Washington Police Department arrest you?

Mr. MADDOCK. Yes.

Mr. RICE. And you paid a fine?

Mr. MADDOCK. Yes.

Mr. RICE. You think it was drunk and disorderly?

Mr. MADDOCK. I believe so.

Mr. RICE. Do you have any other arrests?

Mr. MADDOCK. I have been arrested but I was never convicted for anything.

Mr. RICE. You have been arrested but never convicted on other things?

Mr. MADDOCK. Yes.

Mr. RICE. Do you know a woman by the name of Gladys Cooley?

Mr. MADDOCK. No; I don't recognize the name.

Mr. RICE. You don't know her?

Mr. MADDOCK. No.

Mr. RICE. Do you know anyone by the name of May Cooley?

Mr. MADDOCK. No.

Mr. RICE. Have you ever transacted any business with Howard Sports in Baltimore?

Mr. MADDOCK. Who is Howard Sports?

Mr. RICE. Howard Sports, the news service.

Mr. MADDOCK. I refuse to answer that on the grounds I might incriminate myself.

Mr. RICE. In 1944, did you transact any business with Howard Sports?

Mr. MADDOCK. I refuse to answer that on the grounds I might incriminate myself.

Mr. RICE. Do you know a man by the name of Sleep-out Louis?

Mr. MADDOCK. I refuse to answer that on the grounds I might incriminate myself.

Mr. RICE. Do you know Mushy Wexler?

Mr. MADDOCK. I refuse to answer that on the grounds I might incriminate myself.

Mr. RICE. Mr. Chairman, I see no point in pursuing this line of inquiry.

Mr. O'CONNELL. The witness has mentioned to me with respect to the house where he and his wife and child live; he says it is in the name of Miss Spinks.

Mr. MADDOCK. The ground is. I paid for it as I went along.

Mr. RICE. She is the woman you mentioned as "straw."

Would you want to say why it is in Miss Spinks' name?

Mr. MADDOCK. Well, I don't know. Plunkert just engineered all that and used her as a straw for making deals. We made quite a few deals this year. We bought houses. He was the salesman. We would go in and buy it, and if they thought it was for us the price would be up because we have bought a lot of ground around here.

Mr. O'CONNELL. Do you have any particular reason for having it in Miss Spinks' name?

Mr. MADDOCK. No.

Mr. RICE. Do you own any race horses?

Mr. MADDOCK. I refuse to answer that on the grounds that I might incriminate myself.

Mr. RICE. Do you own any automobiles?

Mr. MADDOCK. Yes.

Mr. RICE. Are they in your name?

Mr. MADDOCK. Yes.

Mr. RICE. What cars are those, what automobiles?

Mr. MADDOCK. I own a Cadillac.

Mr. RICE. Is that listed in your name?

Mr. MADDOCK. Yes, sir.

Mr. RICE. And licensed in Maryland?

Mr. MADDOCK. Yes, sir.

Mr. RICE. Do you own any other automobiles?

Mr. MADDOCK. My wife does.

Mr. RICE. And what name is that listed in?

Mr. MADDOCK. In her name, Frances.

Mr. RICE. What type of car is that?

Mr. MADDOCK. A Buick.

Mr. RICE. What was your answer to the question about whether you own any race horses?

Mr. MADDOCK. I refuse to answer on the grounds I might incriminate myself.

Mr. RICE. Have you ever raced any race horses?

Mr. MADDOCK. I have.

Mr. RICE. Do you have race horses?

Mr. MADDOCK. Yes.

Mr. RICE. Have you raced them on tracks in Maryland?

Mr. MADDOCK. Yes; I have.

Mr. RICE. Have any of your horses ever run at Laurel?

Mr. MADDOCK. Yes.

Mr. RICE. How long ago was the last time one of your horses ran at Laurel?

Mr. MADDOCK. I refuse to answer on the grounds that it might incriminate me.

Mr. RICE. Have any of your horses ever run at Bowie?

Mr. MADDOCK. Yes; I have run horses at Bowie.

Mr. RICE. Now, going back to Laurel, at the time your horses raced at Laurel, under whose name were they running?

Mr. MADDOCK. I refuse to answer.

Mr. RICE. Were they running under your name?

Mr. MADDOCK. At one time—

Mr. RICE. At one time they were?

Mr. MADDOCK. That is right.

Mr. RICE. Is that your answer?

Mr. MADDOCK. Yes, sir.

Mr. RICE. And at another time they were running under someone else's name.

Mr. MADDOCK. I refuse to answer that on the grounds I may incriminate myself.

Mr. MOSER. Mr. Maddock, I have observed while you were testifying that you felt a little nervous.

Mr. MADDOCK. Yes, I am.

Mr. MOSER. You said you thought you were being investigated by this committee.

We are investigating crime conditions generally and at the moment, in Baltimore. We are not investigating you.

The purpose of our investigation is not to get anybody and not to get you, but it is for the purpose of getting information upon the basis of which the Senate should decide whether or not to adopt legislation. The only reason we ask you these questions is to get information, find out how things work and see if there is some way we can change it.

Do you have any information about organized crime that does not involve you, and that will not incriminate you?

Mr. MADDOCK. I don't know anything about any organized crime.

Mr. MOSER. You don't know anything about any organized crime?

Mr. MADDOCK. No.

Mr. O'CONNELL. He says he doesn't think there is any organized crime in Maryland.

Mr. MOSER. Do you know of any illegal activities carried on by others than yourself in which you would not be involved or incriminated?

Mr. MADDOCK. I refuse to answer that question——

Mr. O'CONNELL. Wait a minute. Read the question back.

The REPORTER (reading) :

Do you know of any illegal activities carried on by others than yourself in which you would not be involved or incriminated?

Mr. MADDOCK. I refuse to answer that.

Mr. O'CONNELL. He says he refuses to answer but he doesn't know.

Mr. MOSER. You don't know whether you know anything about those things or not?

Mr. MADDOCK. No.

Senator HUNT. The witness is excused.

You remain under subpoena in case we do need you again.

Would you stand, please. Would you give your name.

Mr. ING. Bilson Ing.

TESTIMONY OF BILSON ING, VICE PRESIDENT, HOWARD SPORTS DAILY, INC., BALTIMORE MD.

Senator HUNT. Do you solemnly swear the testimony you give this committee will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. ING. I do.

Mr. RICE. Mr. Ing. you appeared before the committee once before, I believe?

Mr. ING. In Chicago, yes.

Mr. RICE. To briefly review your testimony, you are an officer of Howard Sports.

Mr. ING. Yes, sir.

Mr. RICE. What is the corporate name of that?

Mr. ING. Howard Sports Daily, Inc.

Mr. RICE. What position do you hold?

Mr. ING. Vice president.

Mr. RICE. And the other officers are?

Mr. ING. The president is George D. MacInerny.

Mr. RICE. Where is he located?

Mr. ING. He is in Baltimore.

Mr. RICE. Is he an active participant in the business?

Mr. ING. Yes, sir.

Mr. RICE. Mr. MacInerny and yourself as vice president.

Mr. ING. That is right, and Harry Bilson is the secretary and general manager.

Mr. RICE. Of Howard Sports?

Mr. ING. Yes, sir.

Mr. RICE. All of you own stock; is that correct?

Mr. ING. That is right.

Mr. RICE. And you and Mr. Bilson are on a salary basis; is that correct?

Mr. ING. All three of us are.

Mr. RICE. All three of you are on a salary basis?

Mr. ING. Yes.

Mr. RICE. You have never participated in a dividend of the company; have you?

Mr. ING. No, sir.

Mr. RICE. And no one has?

Mr. ING. No, sir.

Mr. RICE. What is the corporate arrangement with the Radio Program Press?

Mr. ING. That went out of existence, Mr. Rice, I think the latter part of 1949. I am not sure when the Florida Commission ordered the wire down.

Mr. RICE. When they did that, that was the end of Radio Program Press?

Mr. ING. That is right.

Mr. RICE. Are there any other corporate entities with which you are connected now?

Mr. ING. No, sir.

Mr. RICE. Do you have any connection with Worldwide News and Music?

Mr. ING. No, sir.

Mr. RICE. Does either Mr. Bilson or Mr. MacInerney?

Mr. ING. No, sir.

Mr. RICE. How about the Trans Radio Press?

Mr. ING. No, sir.

Mr. RICE. Do you have any publications in connection with Howard Sports Daily?

Mr. ING. Yes, sir.

Mr. RICE. What are they?

Mr. ING. It is a scratch sheet that is printed daily.

Mr. RICE. What is the name of that?

Mr. ING. Howard Sports Daily.

Mr. RICE. And that is printed elsewhere?

Mr. ING. No; it is printed in Baltimore.

Mr. RICE. But not in the same building. You are in the Munsey Building; are you not?

Mr. ING. That is right.

Mr. RICE. Are there any other publications?

Mr. ING. No, sir; just that one.

Mr. RICE. Are there any other corporate entities associated with Howard Sports?

Mr. ING. No. Mr. Rice, let me understand now. Do you mean are we associated or connected with any other corporation?

Mr. RICE. Yes; you individually.

Mr. ING. No.

Mr. RICE. You don't have any other subsidiaries or parent companies?

Mr. ING. That is right.

Mr. RICE. And you have no interest in Continental Press?

Mr. ING. None whatever.

Mr. RICE. I believe you said you maintained the books and records?

Mr. ING. That is right, sir.

Mr. RICE. Of Howard Sports?

Mr. ING. Yes, sir.

Mr. RICE. And you prepare the tax return; do you?

Mr. ING. No, sir; we have an auditor who does that.

Mr. RICE. Who does that?

Mr. ING. Mr. Louis Kadis.

Mr. RICE. Where is he located?

Mr. ING. I think it is in the Court Square Building in Baltimore.

Mr. RICE. He prepares tax returns from information furnished by you; does he not?

Mr. ING. That is right.

Mr. RICE. Are you at the present time doing business with Continental News?

Mr. ING. Continental Press Service?

Mr. RICE. Continental Press?

Mr. ING. Sure.

Mr. RICE. Are you doing business with them today?

Mr. ING. Yes, sir.

Mr. RICE. What arrangements do you have with Continental Press?

Mr. ING. On the race tracks that we gather the news from, we sell to them, and then we buy the other news from them.

Mr. RICE. So that it will be understandable to the chairman, there are some race tracks around the country where Howard Sports gathers the information?

Mr. ING. That is right.

Mr. RICE. And you have employees then, at those tracks, to get the race results?

Mr. ING. That is right.

Mr. RICE. Now, name some of those tracks where Howard Sports gathers the information.

Mr. ING. May I just name the States that the tracks are in?

Mr. RICE. Yes.

Mr. ING. I think that would cover it.

Mr. RICE. You handle it by States?

Mr. ING. All the tracks that run in these particular States we handled.

Mr. RICE. What are the States?

Mr. ING. Maryland, Delaware, New Jersey, and Florida.

Mr. RICE. At all other tracks you buy your information from Continental?

Mr. ING. That is right.

Mr. RICE. It is possible that you can be buying from and selling to Continental at the same time and usually is; isn't it?

Mr. ING. Yes; that is right.

Mr. RICE. Let us take a sample track like, say, Garden State up there in New Jersey. When you are gathering information from Garden State, what is the price that Continental is charged for that information?

Mr. ING. That we charge them, you say?

Mr. RICE. Yes.

Mr. ING. \$400 a day.

Mr. RICE. \$400 a day?

Mr. ING. That is right.

Senator HUNT. May I ask what is that information?

Mr. ING. All the results, lines, and mutuels of that particular race track.

Senator HUNT. You advise them the name of the horse, the weight the horse carries, the name of the rider, the results of the race, the position they have in starting, and all of those details?

Mr. ING. Some of those details, Senator, are printed early in the morning and we don't have to furnish that but as to the result and the mutuel and the position during the race; yes.

Mr. RICE. And scratches?

Mr. ING. No, they are out in the morning. They are out early in the morning.

We gather them at that race track, that is true. We gather those, too.

Senator HUNT. As a result of the mutuels, do you mean the betting being done on that particular horse?

Mr. ING. The result is how the horses finish and the mutuel is the prices that the horse paid on the totalizator board or in the mutuel machines, whichever they might employ.

Mr. RICE. So Continental pays you \$400 a day for that information on the tracks where you gather the information?

Mr. ING. That is right.

Mr. RICE. On the other tracks where they sell it to you what do you pay them?

Mr. ING. We pay them—well, I will tell you the same as it happened out there, Mr. Rice. We pay them now \$500 and tax, a week.

Mr. RICE. \$500 a week?

Mr. ING. And tax. We have to pay 8 percent tax, which goes to the Government.

Now, then, at the end of the year, other than a working balance which we will have to keep in order to meet current bills that come up as they may come up, we keep a working balance, and any that is left over, we send to Continental to make up for what we possibly could have paid them during the year. Do you understand what I mean?

Mr. RICE. No. Reduce it to figures.

Mr. ING. If we had to pay them at the same rate for the race tracks that we buy from them, we couldn't exist.

Mr. RICE. In other words, if you paid them \$400 a day, it would be a stand-off.

Mr. ING. No, it wouldn't be a stand-off, we couldn't exist because we have to buy too many tracks from them.

Mr. RICE. So they sell it to you for \$500 a week?

Mr. ING. And then at the end of the year any balance other than a working balance—well, we will say in round figures, we will keep maybe \$1,000 or \$1,200, in order to meet current bills as they come up for the next week. We send to them the balance.

Mr. RICE. Do you have any written agreement reciting those terms?

Senator HUNT. Will you explain in detail this 8 percent tax to the Government. Is that an income tax?

Mr. ING. No, sir; that is what is called, as I understand it, a leased wire tax, 8 percent each week. In other words, our rate would be \$500 and the 8 percent which we add goes to Continental, which would be \$540. Now the \$40 is tax, the same as on our subscribers who send us the rate plus the tax, that tax is turned over at the end of the month as the leased wire tax. "Leased wire and equipment tax," I believe are the words used.

Senator HUNT. It is just the same as a tax on a telegram. It is not a tax on the service you render.

Mr. ING. No, sir. I think it is listed as "leased wire and equipment tax." It is a form that they send each month. The Government sends it to us each month to be filled out with the amount that is to be paid.

Senator HUNT. Then, there should be a department in the Federal Government that is thoroughly conversant with your transactions, shouldn't there be—that department that receives the tax?

Mr. ING. Well, it is sent to the collector of internal revenue in Baltimore. I don't know which department or bureau handles it but it is sent in with the original of the form that they send us each month.

Mr. MOSER. Do you file a return yourselves?

Mr. ING. For the tax that we collect. Not that we pay. In other words, let me try to clear this: On the \$500 a week, the tax we pay on that we don't file the return for that.

Mr. MOSER. You pass the tax on.

Mr. ING. That is right. We pay the tax as we pass it on to them.

Mr. MOSER. The tax you collect from your customers you file a return on.

Mr. ING. We file direct, yes. We had a gentleman over there a couple years ago, you know, to make a routine check, and he found everything in order. It was 2 or 3 years ago.

Mr. RICE. I asked you, I believe, if there was any written understanding with Continental Press as to these terms that you have just recited?

Mr. ING. No.

Mr. RICE. That is strictly an oral understanding.

Mr. ING. That is right.

Mr. RICE. Who are the parties to that understanding?

Mr. ING. Harry Bilson and Walter Lloyd.

Mr. RICE. Walter Lloyd of Continental?

Mr. ING. That is right.

Mr. RICE. Did Tom Kelly interview those negotiations?

Mr. ING. As far as I know he did not; no, sir.

Mr. RICE. Now going back to Garden State, again, and your gathering of information from Garden State, do you have any employees who handle that?

Mr. ING. Oh, yes.

Mr. RICE. Who handles that?

Mr. ING. Egner. Robert Egner.

Wait a minute now. Pardon me. Offhand now I just can't name the employees who worked at Garden State. That is pinning me down to something now where I can't name just what employees worked at Garden State.

Mr. RICE. Can you name any employees who gathered information at any track?

Mr. ING. Oh, sure.

Mr. RICE. Who would they be?

Mr. ING. B. R. Malone and Mangan and Sherry.

Mr. RICE. Irving Sherry?

Mr. ING. That is right.

Mr. RICE. And Koelling. How about Roscoe Odle?

Mr. ING. I could not tell you where Mr. Odle is, since the time he was over in the office. He was taken off the payroll at that time.

Mr. RICE. As far as you know he has disappeared and stayed that way?

Mr. ING. As far as we know; yes, sir.

Mr. RICE. Who is in charge of the crew who collects that information?

Mr. ING. Mr. Gorman contacted us and made an offer that if we would let him use our employees, he could furnish us with the particular news at Garden State.

Mr. RICE. And this was Mr. Gorman?

Mr. ING. Yes.

Mr. RICE. How do you spell that?

Mr. ING. G-o-r-m-a-n.

Mr. RICE. What is his first name?

Mr. ING. I think it is R.

Mr. RICE. You think it is R?

Mr. ING. I think it is R; yes.

Mr. RICE. Is he an employee of Howard Sports?

Mr. ING. Yes. He contacted us and said with our crew, he could assure us of the news from that particular race track.

Mr. RICE. Let us see what happened here. When did Gorman come into the picture?

Mr. ING. I think it was this past February.

Mr. RICE. February 1951?

Mr. ING. I think that is when it was; yes, sir.

Mr. RICE. Where is Mr. Gorman's office located?

Mr. ING. The checks are sent to—wait a minute now, Mr. Rice, I would have to look that up. It is in Florida. It is either Hollywood or Hallandale. The name on the billhead is The Tropical News.

Mr. RICE. Now, we have this picture: Mr. Gorman, of Florida, at either Hallandale or Hollywood, Tropical News, is contracting to take your crew and obtain information at Garden State in New Jersey?

Mr. ING. He came up through there after Florida and said that he would handle Garden State for us.

Mr. RICE. What were the arrangements with Mr. Gorman?

Mr. ING. That is all. He bills us a certain amount.

Mr. RICE. What amount?

Mr. ING. Garden State—now you see, Mr. Rice, I am relying on my memory now for figures.

Mr. RICE. Yes. Approximately.

Mr. ING. Now, this would have to be a guess and I couldn't be held to it. I think it was \$2,400, I am not sure.

Mr. RICE. For the meeting?

Mr. ING. That is right. I think that is what it is. I wouldn't want to be held to those figures.

Mr. RICE. They run 2 weeks. That would be \$200 a day?

Mr. ING. About that; yes, sir.

Mr. RICE. Now, does he take that as an independent contractor to do that? He is not on your payroll?

Mr. ING. No.

Mr. RICE. You don't deduct anything from him?

Mr. ING. No, sir.

Mr. RICE. You pay a flat fee.

Mr. ING. That is right.

Mr. RICE. He takes your employees, Mangan and Egner and people like that.

Mr. ING. Yes, sir.

Mr. RICE. How many employees do you give him?

Mr. ING. It is sometimes two—now this is just a rough example. We will say maybe Malone and Mangan.

Mr. RICE. You give him two employees, and you pay them.

Mr. ING. Oh, yes. They are on our payroll and they are all deducted.

Mr. RICE. You pay those fellows how much a week, approximately?

Mr. ING. \$75.

Mr. RICE. Plus expenses?

Mr. ING. \$42; yes, sir.

Mr. RICE. How about the cost of the locations? Who pays for that?

Mr. ING. This Tropical News does. This Gorman.

Mr. RICE. Now Gorman, you don't know his first name, you say?

Mr. ING. It is R, I think.

Mr. RICE. Have you ever met him?

Mr. ING. No, sir; I have not.

Mr. RICE. Have you ever seen him?

Mr. ING. No, sir.

Mr. RICE. Do you have a contract with him?

Mr. ING. Not a written contract; no. He sends us a bill.

Mr. RICE. But you have his address over at the office?

Mr. ING. It is on the billhead.

Mr. RICE. We can get that?

Mr. ING. Yes, sir.

Mr. RICE. You pay him approximately \$2,400; he takes your crew and he obtains the information at the track?

Mr. ING. That is right.

Mr. RICE. How does that information come in to you from Garden State? Over the telephone?

Mr. ING. Garden State is on the telephone; yes, sir.

Mr. RICE. A collect telephone call?

Mr. ING. I would imagine it is; yes, sir.

Mr. RICE. Now, wait a minute.

Mr. ING. Well, you see, Mr. Rice, things like that now are worked out in the office where the news comes into. Either our man in the office calls him or he would call collect. Which it is, I don't know.

Mr. RICE. You pay the bills?

Mr. ING. Oh, yes.

Mr. RICE. You handle the books. Now who pays the telephone bills for those calls?

Mr. ING. We pay for them. One way or another, we pay for them. I mean you were getting down as to which way the call was made. We pay for the call, regardless.

Mr. RICE. Now suppose he needs an automobile. Do you pay for that, too?

Mr. ING. Suppose who needs an automobile?

Mr. RICE. Gorman.

Mr. ING. No, sir.

Mr. RICE. Do you pay him any expenses other than the \$2,400?

Mr. ING. No.

Mr. RICE. It is a flat fee?

Mr. ING. That is right.

Mr. RICE. You don't know where you could reach him?

Mr. ING. No, sir; I don't.

Mr. RICE. Does he have a post office box or a street address?

Mr. ING. I think it is Tropical News. I think it is a post office box.

Mr. RICE. Do you pay him in advance or after he has completed the job?

Mr. ING. It is six of one and a half dozen of the other. It is not all in advance and it is not after the meeting is over. After the meeting has progressed reasonably far, he sends a bill in and then we honor it.

Mr. RICE. I see.

In connection with the tracks in Florida, does he contract to take care of those, too?

Mr. ING. That is the same.

Mr. RICE. And he produced the goods during the past winter?

Mr. ING. That is right.

Mr. RICE. How is the information brought in from Florida, by long-distance telephone?

Mr. ING. Yes, sir.

Mr. RICE. And you pay the bills?

Mr. ING. Yes, sir.

Mr. RICE. You say this fellow Gorman handled the project this past winter in Florida?

Mr. ING. I would say, Mr. Rice, it was around February.

Mr. RICE. You say before they came through?

Mr. ING. Before that, we just did the best we could.

Mr. RICE. What do you mean by that?

Mr. ING. Well, we just got what we could.

Mr. RICE. Through your own crew?

Mr. ING. That is right. I mean the news wasn't as it should be.

Mr. RICE. Who was in charge of that crew?

Mr. ING. There was nobody in charge of it.

Mr. RICE. What men did you have down there?

Mr. ING. Egner was there.

Mr. RICE. Sherry?

Mr. ING. Sherry was there. Mangan was there. Malone, Egner, Sherry.

Mr. RICE. They were not producing the goods satisfactorily?

Mr. ING. They did the best they could; yes, sir.

Mr. RICE. What happened to overcome that difficulty?

Mr. ING. Then this Gorman said that he felt sure that with the help of whatever employees he might need, he could produce better results.

Mr. RICE. Did he have any previous experience?

Mr. ING. Well, I don't know.

Mr. RICE. Well, he sold himself to you, I take it?

Mr. ING. He said he could produce, and as long as we found he could produce, we were willing to pay him.

Mr. RICE. Did he handle any of the Florida tracks?

Mr. ING. Yes.

Mr. RICE. Did he handle Hialeah?

Mr. ING. I believe it was during the Hialeah meeting, if I am not mistaken.

Mr. RICE. That you negotiated with him?

Mr. ING. I think it was.

Mr. RICE. Did you go down there or did he come up here?

Mr. ING. Neither one.

Mr. RICE. How did you handle that?

Mr. ING. He called on the telephone.

Mr. RICE. He called on the telephone?

Mr. ING. That is right.

Mr. RICE. He sold himself on the phone?

Mr. ING. That is right. He said he could produce and could improve on the news so we said, "All right, we will see if you can."

Mr. RICE. Where is he now; do you know? Do you know what track he is working, now?

Mr. ING. I think it is Monmouth.

Mr. RICE. They are running in New Jersey now and he is handling the New Jersey tracks?

Mr. ING. That is right. I think it is Monmouth Park that is running, now.

Mr. RICE. How do you get in touch with him when he is at a track and you want to get in touch with him?

Mr. ING. There is no need to get in touch with him, Mr. Rice. As long as the news comes in right, there is no need.

Mr. RICE. Suppose there is a breakdown?

Mr. ING. If there is, he doesn't get paid.

Mr. RICE. But all your payments go to Florida?

Mr. ING. That is right.

Mr. RICE. Are you sure about that?

Mr. ING. Yes. He has a post-office box. I am sure he has a post-office box, now, in either Hollywood or Hallandale. It is on the billhead.

Mr. RICE. Do you pay him by check?

Mr. ING. That is right.

Mr. RICE. Do you have some of the canceled checks that you have paid him with?

Mr. ING. In the office; yes, sir.

Mr. RICE. I want to make a note to ask you about those canceled checks of Mr. Gorman.

Mr. ING. All right.

Mr. RICE. Now on the information of Continental, that comes in over your Western Union wire the same as it always has?

Mr. ING. That is right.

Mr. RICE. You do not know anything about how they gather that?

Mr. ING. No.

Mr. RICE. How about Bowie, where they have a direct line in there? Is Gorman going to handle that?

Mr. ING. We didn't have a direct line there at this last meeting; no, sir.

Mr. RICE. At and since the last meeting, you did not have it?

Mr. ING. No, sir.

Mr. RICE. When I was over there before, you had Roscoe Odle's expense account?

Mr. ING. Yes.

Mr. RICE. There was so much charge for locations. Two or three locations he had.

How is that handled under this present set-up, the locations?

Mr. ING. That is something that I can't answer, how that is handled. This Gorman, evidently he has the locations.

Mr. RICE. He makes his own locations?

Mr. ING. He must, because we don't pay for any locations or anything.

Mr. RICE. You understand, Mr. Chairman, these locations are places outside of the track enclosure from which these wigwag men can use field glasses and look into the enclosure and obtain the results. Is that not right?

Mr. ING. That is right.

Mr. RICE. The news comes in both from Continental and your own set-up through Gorman and you then sell the news, don't you?

Mr. ING. That is right.

Mr. RICE. You have two types of customers, one where you have Western Union tickers?

Mr. ING. Teletype machines.

Mr. RICE. And the others who take it over the telephone?

Mr. ING. That is right.

Mr. RICE. What States do you serve for that type of information?

Mr. ING. Which type?

Mr. RICE. Either type, or both.

Mr. ING. The telephone is only local.

Mr. RICE. The telephone is only local?

Mr. ING. That is right.

Mr. RICE. And when you speak about "local," you mean Baltimore?

Mr. ING. In Baltimore City; that is right.

Mr. RICE. Suppose someone was located in Laurel, Md.?

Mr. ING. He would have to be on a teletype machine.

Mr. RICE. Why do you say that?

Mr. ING. It is the only service that we have out of the city.

Mr. RICE. Wouldn't it be possible for an individual to call you up from Laurel and get the same information?

Mr. ING. It would be possible, but when he called, wouldn't that require an operator? In other words, we don't handle out-of-the-city calls.

Mr. RICE. Was that a matter of policy?

Mr. ING. That is right.

Mr. RICE. There is no mechanical reason for that?

Mr. ING. No; it is our policy that if we have a subscriber out of Baltimore City, he is on the teletype machine.

Mr. RICE. Suppose someone were willing to pay you for a long-distance call in to you, to get the information? Why wouldn't that be all right?

Mr. ING. Well, Mr. Rice, possibly if we put a machine in there, we possibly could realize more revenue weekly from it.

Mr. RICE. Suppose he wanted to pay some enormous figure to sit here in Washington and get the results on a telephone?

Mr. ING. Not in Washington.

Mr. RICE. You wouldn't do it?

Mr. ING. Not in Washington.

Mr. RICE. Do you know why?

Mr. ING. That has been a policy of the company as long as I have been there. I don't know why.

Mr. RICE. You don't know why?

Mr. ING. No.

Mr. RICE. Who does know why?

Mr. ING. I don't know whether anybody knows, Mr. Rice, to tell you the truth.

We did at one time have subscribers located outside of Washington.

Mr. RICE. Yes. Twenty-seven, I think. Either Howard Sports or Sam Beard's Statewide.

Mr. ING. Statewide.

At one time or another, we had subscribers around Washington, but I don't know what it was but it has been the policy not to have any subscribers in Washington itself. I couldn't tell you why. I don't know whether anybody else knows why, Mr. Rice, to tell you the truth.

Mr. RICE. How many tickers do you have now? How many subscribers do you have on tickers?

Mr. ING. Active subscribers, right now?

Mr. RICE. Yes.

Mr. ING. I think it is 11 or 12.

Mr. RICE. In what States are they?

Mr. ING. Well, they comprised Maryland, Virginia, and I think that is all, Maryland and Virginia.

Mr. RICE. How many are in Virginia?

(No response.)

Mr. RICE. Have you submitted a list of those?

Mr. ING. Yes, sir.

Mr. RICE. Recently?

Mr. ING. Just the other day. Mr. Finnerty turned over a list of subscribers, but they are listed from the year 1949 on.

Mr. RICE. There was one on there, I believe, "Worldwide"?

Mr. ING. That is right.

Mr. RICE. That paid considerably more than the others. Why is that?

Mr. ING. Because in effect, Mr. Rice, they are somewhat of a news outlet, also. They have these music lines, or private music boxes or something. I don't know just the term of it, but they have sports flashes going out over that, too.

Mr. RICE. Who is the individual with whom you do business in Worldwide?

Mr. ING. Matusky.

Mr. RICE. Do you have any subscribers of any kind in Florida?

Mr. ING. No, sir.

Mr. RICE. Do you have any other subdistributors, like Worldwide?

Mr. ING. At the present time?

Mr. RICE. Yes.

Mr. ING. No.

Mr. RICE. They are the only ones?

Mr. ING. Yes, sir.

Mr. RICE. How much do you charge Worldwide a week?

Mr. ING. \$250.

Mr. RICE. What would an outfit like the Rickraft Club in Ocean City be charged?

Mr. ING. I think their rate would be around \$100 plus tax.

Mr. RICE. How do you arrive at the prices you charge Worldwide?

Mr. ING. I don't know how that price is arrived at.

Mr. RICE. Do you consider the customers they serve?

Mr. ING. From all these customers we naturally try to get as much revenue as we can. Now with a printer subscriber, the distance from Baltimore which we have to pay for is taken into consideration. And then as much revenue is gotten as is possible.

Mr. RICE. Do you have any written agreements with any customers?

Mr. ING. Rate agreement, now?

Mr. RICE. Yes; as to how much they will pay a month.

Mr. ING. No, sir.

Mr. RICE. Is that a weekly figure?

Mr. ING. That is weekly; yes, sir.

Mr. RICE. Now your telephone customers, about how many of those do you have?

Mr. ING. In the city? Do you mean ones who call us for service?

Mr. RICE. Yes.

Mr. ING. We have five. No, four.

Mr. RICE. Four telephone customers?

Mr. ING. That is right.

Mr. RICE. That is all you have at the moment?

Mr. ING. We have one—now, Mr. Rice, I think it is four, and then we have one printer line in the city of Baltimore, the only one, and that is radio station WMAR-TV, which is counted as a city subscriber.

Mr. RICE. How much do you charge these telephone customers?

Mr. ING. \$40—well, it was always \$40 a week, Mr. Rice, but business is so bad now we would almost settle for less if we could get more customers.

Mr. RICE. How do you account for business being so bad?

Mr. ING. That I could not tell you.

Mr. RICE. A staff member talked to someone in your outfit and asked for the subscribers in Baltimore, and I think you gave him Jerome Davis; is that one of them?

Mr. ING. Whatever the list is there, Mr. Rice.

Is that the list that Mr. Finnerty supplied one of your men?

Mr. RICE. Yes.

Do you have a code number system?

Mr. ING. With the city subscribers; yes, sir.

Mr. RICE. You have a code number system so they call in and say "This is No. 11," and that puts them on for the day?

Mr. ING. As long as they pay; that is right.

Mr. RICE. Do you have a key book which shows who the people are who have the keyed numbers?

Mr. ING. Do you mean the names?

Mr. RICE. Yes.

Mr. ING. No, sir; we have no names.

Mr. RICE. How do you tell who the people are, then?

Mr. ING. By number.

Mr. RICE. Who is No. 11?

Mr. ING. We don't know.

Mr. RICE. Now wait a minute. Let's go real, real slow, here.

Mr. ING. Let me put it to you this way: Suppose now, for instance, that you would call us up and you would want to subscribe to our service.

Mr. RICE. Yes.

Mr. ING. All right, we would tell you the rate. You would say "All right, I will send it up. What number shall I use?" or "How will you know who I am?" "Your number is 11. Call in on Mulberry —" whatever number it is.

Mr. RICE. You do not know the name?

Mr. ING. When Mr. Bilson was with Mr. Sodaro over in the grand jury, they said, "From now on we want you to get names," and he told them at the time that he will have the name that they give.

Now he can't vouch for the authenticity of the name or anything else, but from now on he will make them give a name.

Mr. RICE. Let me see if I get this right. A voice calls up and says he wants to buy the service?

Mr. ING. That is right.

Mr. RICE. You say "Well, it is \$40 a week." He says, "All right, I will pay it."

Now you say "Send up the money." What does he do?

Mr. ING. We tell him first what code number we will give him.

Mr. RICE. Suppose he has a code number. You say, "You will be No. 13."

Mr. ING. That is right.

Mr. RICE. You have No. 13.

Mr. ING. He will send the money up as No. 13.

Mr. RICE. How does he send it and where does he send it?

Mr. ING. Up to our office.

Mr. RICE. In cash?

Mr. ING. In cash.

Mr. RICE. Who takes that money?

Mr. ING. We do in the office and it is credited to No. 13's account and then No. 13 can call in for 1 week.

Mr. RICE. Then he is good for a week?

Mr. ING. That is right.

Mr. RICE. Then during the week, someone will call up and say "This is No. 13."

Mr. ING. That is right.

Mr. RICE. What do you do, plug them in?

Mr. ING. No; we don't have the hold-ons. They call up and ask for whatever results they want.

If they happen to be running at some track and he asks for information on a certain track, we say "Hold on; it is coming in," and then they hold on after that.

Mr. RICE. How do you keep people from cheating on No. 13 by calling up and impersonating No. 13?

Mr. ING. If you were sitting there answering the phone Mr. Rice and we will say No. 13 called up and you gave him maybe two or three results, and we will say possibly in 10 minutes' time No. 13 calls up and asks for the same results over again, then you know that that can't be.

Mr. RICE. How do you know which one is which?

Mr. ING. Well, the first one already has it.

Mr. RICE. How do you know he is not the wrong one?

Mr. ING. It might be the wrong one. The second one doesn't get it.

Mr. RICE. He might be the one who paid for it.

Mr. ING. That could be.

Mr. RICE. Then what do you do?

Mr. ING. Then he is going to start hollering.

Mr. RICE. How do you straighten that out?

Mr. ING. Then we would have to change his number.

Now that would happen very, very rarely. We will use you as an example. You wanted to find out the result, or maybe two results.

Mr. MOSER. You say you have to change the number when two call in. How do you know the one who gets the number is the right one?

Mr. ING. I was going to get to that. That would very, very rarely happen. You would call up and your number is 13, and you are paid. Who else would know your number but you? Do you understand what I mean? Who else would know your number but you? You would be the only one who would know No. 13.

Senator HUNT. When you make your first contact, if the No. 13, instead of sending you up currency or cash, would send you in a check, would you take that check into your records by name, or would you still take it into your records by number?

Mr. ING. That check would still go under—in other words, it would still be listed as No. 13.

Senator HUNT. You wouldn't take his name?

Mr. ING. The only subscribers in the city of Baltimore, Senator, who use checks, are the radio stations. They are the only ones. The rest of the city is all currency.

The out-of-town subscribers on the printer circuit, naturally they use checks or money orders. But the city subscribers, they send currency. If we did at any time have a subscriber and we will say he was No. 13 and he was going to pay by check at each week, we would have his name.

Senator HUNT. Why do they use that unorthodox method of doing business?

Mr. ING. Do you mean us, or the subscriber, now?

Senator HUNT. Well, both you and the subscriber? Apparently it is an understanding between your subscriber and yourself so that your subscriber's name won't appear on your records.

Whether you don't want his name on the records or whether the subscriber does not, I do not know.

Mr. ING. That could possibly be. Like I explained to Mr. Rice, it could possibly be that they wouldn't want it on there, because just as Mr. Bilson told the grand jury over there, any new subscribers that came on, he would get a name from, but he wouldn't want to be held if by any chance they did give him a wrong name or a wrong address.

I mean after all the city subscribers can call from any place in the city. They can go in through a cigar store and drop a nickel in the box. We would have no way of knowing their address.

Mr. RICE. All right, sir. Now going back to the ticker phase of the operation: you furnished a list here which shows the rate per week and the on's and off's?

Mr. ING. That is right.

Mr. RICE. It is a little difficult to read and I would like to review it with you to be sure we are interpreting it correctly.

It is indicated here that there is a ticker paying \$108 a week in the name of Fox Clancey of Berkman Road, Augusta, Ga., which went on at September 2, 1950.

Is that still on?

Mr. ING. Maybe I can explain it to you better: Now you see here, this is in 1950. He went on September 2 in 1950, and he is still on.

Mr. RICE. But you are serving in the State of Georgia?

Mr. ING. Yes. I overlooked that one; that is right. And there is another one in Georgia, too. I overlooked that one.

Mr. RICE. There is another one in Georgia?

Mr. ING. Yes, sir.

Mr. RICE. It should be in here. We have Fox Clancey, Augusta, and Sam Smith in Roanoke.

Mr. ING. He is off.

Mr. RICE. It shows that he is on, here.

Mr. ING. Yes; I believe that is right. This list is correct.

Mr. RICE. The City News Service, Cumberland?

Mr. ING. That is right.

Mr. RICE. Rickraft in Ocean City.

Mr. ING. They went off May 9, here, didn't they? Here is where he finally went off, December 18. The lady put it up here and it should have been down here.

Mr. RICE. Then Rickraft is off?

Mr. ING. That is right.

Mr. RICE. John Russell, Cumberland?

Mr. ING. That is right.

Mr. RICE. J. H. Hogan, Harrisonburg, Va.?

Mr. ING. That is right.

Mr. RICE. E. W. Collins, Richmond, Va.

Mr. ING. That is right.

Mr. RICE. Franz News Co., Cumberland?

Mr. ING. He has gone off.

Mr. RICE. He is off?

Mr. ING. Yes, sir.

Mr. RICE. Where do we say that, April 2?

Mr. ING. It is May 31.

Mr. RICE. He is off, then?

Mr. ING. That is right.

Mr. RICE. E. A. Gibson, Richmond?

Mr. ING. Yes.

Mr. RICE. He is on.

C. A. Cox, Richmond?

Mr. ING. Yes.

Now the other at Augusta I think you will find down near the bottom.

Mr. RICE. Here is one in Macon.

Mr. ING. No; that is not it.

Mr. RICE. Can you find it in your other records?

Mr. ING. R. G. Jamison.

Mr. RICE. He is on?

Mr. ING. That is right.

Mr. RICE. R. G. Jamison, Augusta, Ga. He just started?

Mr. ING. No; he went back on.

Mr. RICE. Let us see what the total is now, then.

There are nine on.

Mr. ING. No; there are more than that. I think it is 11. Let me check, here.

Corletto is on.

How about Jefferson Forbes?

Mr. RICE. He is marked off, here.

Mr. ING. Yes, that is right. That was the one I was thinking of.

Mr. RICE. There are 10 on. There are 10 ticker operations going as of today?

Mr. ING. Now, Mr. Rice, may I explain to you, as I said before, there is one printer in the city that we list as a city subscriber. That is the television station, WMAR. They don't use the phone, but actually on the printer circuit itself there is the 10 active subscribers.

Mr. RICE. What does WMAR pay?

Mr. ING. WMAR pays \$30 a week.

Mr. RICE. And these others pay \$100?

Mr. ING. WMAR is in the city. That is local.

Mr. RICE. Worldwide News and Music is in the city, too?

Mr. ING. That is right.

Mr. RICE. And they pay \$200 for it?

Mr. ING. That is right.

Mr. RICE. How do you distinguish between the two?

Mr. ING. That was the agreement or the price quoted to them, Mr. Rice. That is the best I could tell you.

Mr. RICE. Now you have, you say, only four telephone subscribers?

Mr. ING. I think it is four—we listed five or six and two of them are newspapers; that is correct.

Mr. RICE. Do you know the code numbers?

Mr. ING. The Baltimore News, I know, is 08.

Mr. RICE. How about 03?

Mr. ING. 03, he just went on May the 1st. I think you have a name for him; do you not?

Mr. RICE. Samuel Goldstein, Parker Street, \$30.

Mr. ING. That is right.

Mr. RICE. I think we checked up and found that to be a vacant lot.

Mr. ING. There is this very thing that Mr. Bilson told the State's attorney.

Mr. RICE. Now, going back to the Baltimore News, how much do they pay for the service?

Mr. ING. That is a gratis account.

Mr. RICE. Gratis?

Mr. ING. That is right.

Mr. RICE. Do you mean you give it to them for nothing?

Mr. ING. That is right.

Mr. RICE. Why?

Mr. ING. Because of the advertisement we get on the front page of the paper every day.

Mr. RICE. What do they advertise?

Mr. ING. "All the late results, by courtesy of the Howard Sports."

Mr. RICE. So, you give it to them free?

Mr. ING. That is right.

Mr. RICE. And this Goldstein can't be found. He is 03.

Do you know any other numbers that are on? How about code No. 11?

Mr. ING. I think 17 would be WMAR. Then I think there is a

Mr. RICE. How about 12 before we get to 21. Joseph Ridge?

Mr. ING. That is right, No. 12.

Mr. RICE. He pays \$25?

Mr. ING. That is right.

Mr. RICE. Now we find that apparently is a phony name or phony address. There is no individual by that name who could be located at 3708 Eastern Avenue, which was the address furnished by you.

Mr. ING. That was the address that was given to us. Let's put it that way, Mr. Rice. Everything that was furnished to you was furnished in good faith. That is the way we have to take it.

Mr. RICE. Now then, 21, you say?

Mr. ING. That is right.

Mr. RICE. Do you know the name on that?

Mr. ING. No; I do not.

Mr. RICE. It is just an absolute blank on that?

Mr. ING. Twenty-one, and then there is another one there; 31, I think.

Mr. RICE. And this is an absolute blank?

Mr. ING. That is right.

Mr. RICE. You don't have the remotest notion who those people are?

Mr. ING. Not that could be used; no, sir.

Mr. RICE. World-wide News has 109?

Mr. ING. That is right.

Mr. RICE. And they pay varying amounts. They paid at one time \$160 a week?

Mr. ING. That is right. Just as we said to you before, Mr. Rice, we try to get as much of a return as the traffic will bear. If they run into, shall we say, times when they don't have the money, we have to lower their rate for them.

Mr. RICE. What are they paying now?

Mr. ING. At the present time, for the last 3 or 4 weeks, we have not received a payment.

Mr. RICE. What is their weekly rate now?

Mr. ING. That is \$250.

Mr. RICE. That is for the telephone?

Mr. ING. That is the one subscriber.

Mr. RICE. They also have a ticker; don't they?

Mr. ING. No.

Mr. RICE. They take everything over the telephone?

Mr. ING. That is right.

Mr. RICE. How about the Evening Sun; do they have a number?

Mr. ING. The Evening Sun—I don't know what number they are. They make their remittance by check, and it is listed as the Evening Sun Papers.

Mr. RICE. How much do they pay?

Mr. ING. It is \$10 a month.

Mr. RICE. Why don't they get it free?

Mr. ING. Well, it goes right back, Mr. Rice, to trying to get what you can get.

Mr. RICE. Do they put "By courtesy of Howard Sports" on their front page?

Mr. ING. They are supposed to put the box on the front, too, sir.

Mr. RICE. You give it to the News free and the Sun pays \$10?

MR. ING. We were able to get \$10, Mr. Rice; so we got it.

MR. RICE. You pick up the News in Maryland, New Jersey, Delaware, and Florida?

MR. ING. That is right.

MR. RICE. If you did get subscribers, you would distribute from Maryland south?

MR. ING. To Georgia.

MR. RICE. Suppose a subscriber wanted to do business with you from Florida.

MR. ING. We can't put a wire in Florida. There is a law prohibiting that now.

MR. RICE. Suppose they were from Alabama?

MR. ING. No; we don't go into Alabama. We stay within our territory, which has always been recognized as Maryland, Virginia, North Carolina, South Carolina, Georgia—that far.

MR. RICE. Who handles New Jersey, a similar company up there?

MR. ING. No, sir. Do you mean furnishing news up there?

MR. RICE. Yes.

MR. ING. No, sir; I don't.

MR. RICE. Did you ever hear of Metro-Globe?

MR. ING. No, sir.

MR. RICE. You don't know who does that?

MR. ING. No, sir.

MR. RICE. Suppose a customer from New Jersey were to get in touch with you and wanted to obtain the news up there, what would happen?

MR. ING. We would just tell him that we couldn't supply him.

MR. RICE. What would be the reason for that?

MR. ING. Because we don't go into New Jersey.

MR. RICE. Why not?

MR. ING. We just never have. We stay in Maryland and south.

MR. RICE. Who arranged that territorial limitation?

MR. ING. Nobody arranged it, Mr. Rice; it has just been that way as long as I know of.

MR. RICE. That is not a matter of agreement, that territorial limitation?

MR. ING. No.

MR. RICE. You are sure about that?

MR. ING. As far as I know, no, sir.

MR. RICE. Do you know what would happen to you if you took a customer from New Jersey?

MR. ING. I don't imagine anything would happen to us.

Senator HUNT. Is there any company that conflicts in the territories that you serve?

MR. ING. As I understand it, there is a company that puts out news in New Jersey, but who they are, I don't know.

Senator HUNT. How about the States where you serve; are there other companies?

MR. ING. Not to my knowledge.

Senator HUNT. In other words, this territory is assigned to you?

MR. ING. That is the territory that we have always had and we stay right in those States.

Senator HUNT. There is a mutual understanding between other companies and yourselves as to what areas you will serve. Who are the other companies?

Mr. ING. That is what I say, Senator. I don't know who any other companies are. Our territory, as I say, runs from Maryland south.

Mr. RICE. Suppose a customer in Maryland wanted to subscribe to the news service in New Jersey, could that be done?

Mr. ING. Do you mean and receive the news in New Jersey?

Mr. RICE. No; receive the news in Maryland.

Mr. ING. If he is in the State of Maryland, certainly we will supply him.

Mr. RICE. Suppose he wants to buy from someone outside the State and not you? Suppose he wants to buy from Metro-Globe?

Mr. ING. As far as I know, we don't know of anybody doing that.

Mr. RICE. Suppose you found out that someone was doing that?

Mr. ING. I wouldn't know, Mr. Rice, how to explain that to you, what would be the procedure, because I wouldn't—Mr. Bilson would probably get that. I mean I don't know what he would do.

Mr. RICE. That would go to the complaint department; wouldn't it?

Mr. ING. I imagine it would be a complaint. I mean if somebody else were serving where we should have customers.

Senator HUNT. Just a minute. I don't like to doubt your word, but I do not believe you are telling us the truth. I think these territories are assigned. I think you know it; I think you are prohibited or forbidden from getting into conflicting territories.

Why don't you give us the benefit of the whole story? We want to try to get to the bottom of this type of business.

Mr. ING. Well, I will tell you, Senator. I have been to several questionings here, in Chicago. I was over here to the Federal grand jury a couple years ago, as well as the Prince Georges County Grand Jury, and this is the first time that that has been said.

Senator HUNT. I said that is my opinion.

Mr. ING. That is right. Now, Senator, I am trying to give you, as I have done with Mr. Rice when he came into the office, every bit of cooperation that I can give you, and any question that I can answer to my knowledge, I will answer.

Senator HUNT. It is a self-evident fact that there is a reason for this type of allocation of territory by States, as between you and other like companies. What we are trying to find out is, Where is that decided and who makes up the charts and who rules the over-all picture?

Mr. ING. Now, as far as the Howard Sports Daily is concerned, Senator, we rule our own picture. Now, this company that Mr. Rice named in New Jersey, or Pennsylvania, wherever it is, I haven't heard of that company.

Now, there is a company in New York State. Offhand, I can't think of the name of that company.

Mr. RICE. Empire?

Mr. ING. Is that the company? Empire, then.

Whether their circuit comes down into there or not, I couldn't say.

Senator HUNT. Let me ask you another question: You apparently serve only two customers in Georgia?

Mr. ING. That is right.

Senator HUNT. Are all other companies excluded from Georgia, or are other companies serving Georgia?

Mr. ING. I don't know of any other subscribers in Georgia. If there were any other subscribers in Georgia, I imagine they would contact us, because our circuit goes right down into Georgia.

Senator HUNT. It would seem that the type of service you give wouldn't be limited to two customers in Georgia.

Mr. ING. Well, we don't have any in South Carolina.

Mr. MOSER. Have you ever had anybody in South Carolina ask for your service?

Mr. ING. We have had subscribers in South Carolina.

Mr. MOSER. Have you ever turned anybody down, there?

Mr. ING. No. The man was on service, and he asked for service to be suspended.

Mr. MOSER. When did he do that?

Mr. ING. If you will look on that list, you will see it. The name is Barnes. That was the 2d day of April of this year.

Mr. MOSER. If another sports news service like yours should come into Georgia and try to get one of your customers away, what would your reaction be?

Mr. ING. One of our customers?

Mr. MOSER. Yes.

Mr. ING. You say one of the customers that we have on there now, they tried to get those away?

Mr. MOSER. Tried to give them a better rate, for example.

Mr. ING. Then you would have to try to meet competition; wouldn't you, with the rate, if you could? If you could afford to supply them for that.

Mr. MOSER. With whom would you take it up.

Mr. ING. What do you mean?

Mr. MOSER. Suppose someone else in the same business with a different territory came in and tried to get one of your Georgia customers away from you.

Mr. ING. We would take it up with the subscriber. When he was going off service, we would ask what the reason was and he would say, "Well, I can get it cheaper from somebody else."

Mr. MOSER. Then what would you do?

Mr. ING. We would try to meet the competition.

Mr. MOSER. Did you ever have that happen?

Mr. ING. No, sir.

Mr. MOSER. You never have?

Mr. ING. Not to our knowledge; no.

Mr. MOSER. You have never had anybody come into your territory?

Mr. ING. To my knowledge, no.

It is much easier to have your own existing circuit and put a customer on that one than it is to start up what would eventually be an existing service. The cost is so much higher.

Mr. RICE. Since the time we spoke to you before, have Egner and Mangan been off your payroll?

Mr. ING. Not Mangan. Egner has.

Mr. RICE. Egner has?

Mr. ING. Yes, sir.

Mr. RICE. How long was he off?

Mr. ING. He is off right now.

Mr. RICE. He is off right now?

Mr. ING. That is right.

Mr. RICE. Is he working now, do you know?

Mr. ING. I couldn't tell you. He is off, now. I know he got married in Chicago and I think he wanted to stay out there. What he is doing, I don't know.

Mr. RICE. Has Mangan been on your payroll ever since we talked to him before?

Mr. ING. I think so; yes, sir.

Mr. RICE. Has he been back working for Illinois Sports during that time?

Mr. ING. Not to my knowledge; no.

Mr. RICE. Have you ever heard of Illinois Sports News?

Mr. ING. Oh, sure, I have heard of Illinois Sports; sure.

Mr. RICE. Who are some of your competitors in this business?

Mr. ING. Well, the Worldwide News could be considered in competition with us.

Mr. RICE. Worldwide News certainly couldn't be a competitor.

Mr. ING. Not as far as the printer circuit is concerned. Now which are you talking about, now? In the city or on the printer circuit?

Mr. RICE. On any part of your territory.

Mr. ING. The Worldwide News gives out our results, too.

Mr. RICE. They won't give it out unless you give it to them.

Mr. ING. We gather the news in Baltimore.

Mr. RICE. Do you have any competitors who are in a position to give out the news without getting it from you, in your territory?

Mr. ING. Not to my knowledge.

Mr. RICE. You never had any; did you?

Mr. ING. I don't know of any; no, sir.

Mr. RICE. You say you have four telephone customers or maybe six at the present time?

Mr. ING. I think that is the right number, Mr. Rice.

Mr. RICE. What does your telephone bill run per month, approximately?

Mr. ING. You only have the toll charges there?

Mr. RICE. Yes.

Mr. ING. The bills vary, Mr. Rice, according to what calls we have to make to get the news.

Mr. RICE. Let us take an example. Do you pay your telephone bill with one check?

Mr. ING. That is right.

Mr. RICE. That includes all your local service?

Mr. ING. That includes the local service, toll calls, and everything.

Mr. RICE. What did that run for the last month?

Mr. ING. Last month, I would say that—no, I wouldn't want to be put to a guess, Mr. Rice.

Mr. RICE. These telephone bills that we have here: February 1951, for example, runs \$1,324.

Mr. ING. That is the toll charges. That is right.

Mr. RICE. The tolls are only \$936. Directory advertising, private lines, and service charges; that whole business.

Is that a representative month; \$1,300 a month?

Mr. ING. No. The toll charges are what made that bill so high that month.

Mr. RICE. You say they run less than that most of the time?

Mr. ING. Oh, yes.

Mr. RICE. The reason for the heavy toll charges in the winter is because you are getting it from Florida?

Mr. ING. That is right.

Mr. RICE. You have a maximum number of six, I guess, local customers?

Mr. ING. That is right.

Mr. RICE. Who are on this \$25, \$30, or \$40 a week?

Mr. ING. That is right.

Mr. RICE. I see here you have 15 trunk lines going into 631 Munsey Building; is that right?

Mr. ING. That is right.

Mr. RICE. Why is that?

Mr. ING. That is a keyboard that is in there.

Mr. RICE. Why do you need 15 trunks if you have 6 customers?

Mr. ING. Well, I will tell you, Mr. RICE. We will have to take the whole board out. The board is set up as one unit.

Mr. RICE. Now, physically, where is your telephone board located—in what room?

Mr. ING. In 631.

Mr. RICE. You have in there a table turret. That is a switchboard; I take it?

Mr. ING. That is that little key box that is in on the desk.

Mr. RICE. You have 15 trunk lines and 13 auxiliary lines coming in there?

Mr. ING. That is right.

Mr. RICE. Five extensions, three six-line single-sided lamp and key cabinets. What are those?

Mr. ING. That is the little cabinet that I was telling you about. We have one of those on the desk, and we have two of them out in the other office.

Mr. RICE. You have three conference features. What are those?

Mr. ING. That is in that cabinet.

Mr. RICE. Is one of those conference features to hook up calls together?

Mr. ING. By that I think they mean the two keys can be thrown in together on the front office desk.

Mr. RICE. No, I think it means you can take two or three trunk calls and put them all into a conference call and all the parties can talk together at the same time.

Mr. ING. That is on the desk in there.

Mr. RICE. How many people can you get together in a conference call under this arrangement?

Mr. ING. Actually, we can get 15 together.

Mr. RICE. You can get 15 together?

Mr. ING. But you couldn't hear. There is not enough volume to carry through the 15 keys without yelling. You could open the window and you wouldn't need it.

Mr. RICE. Is it possible to work all 15 lines?

Mr. ING. Yes, sir.

Mr. RICE. Have you ever done that?

Mr. ING. Yes, sir.

Mr. RICE. Are you doing that now?

Mr. ING. At times, but very, very seldom because we do not have the customers.

Mr. RICE. You only have four or five now?

Mr. ING. That is right.

Mr. RICE. At the present arrangement do you have any set-up where you announce it through these open lines?

Mr. ING. The four customers, if they happen to be on when a race is run, which is very seldom. If the four ever came in at one time they could all be thrown in.

Mr. RICE. Do you have an employee who is calling the race as it comes in?

Mr. ING. That is right.

Mr. RICE. He calls it out loud and it goes into the phone?

Mr. ING. It goes to the Baltimore News; it goes to the Worldwide News.

Mr. RICE. Any customer who calls in at that time gets it?

Mr. ING. That is right.

Mr. RICE. How many employees do you have on the payroll, Mr. Ing?

Mr. ING. Not counting the track crew, now, I think it is 11 or 12. I am not sure of the exact amount. I could name them.

Mr. RICE. Do you have a list of those?

Mr. ING. Not with me.

Mr. RICE. Could you get that?

Mr. ING. Surely.

Mr. RICE. What do those employees do, briefly? Break them down into groups.

Mr. ING. We have two telegraph operators. We have a teletype operator.

Mr. RICE. He is sending out on the tickers?

Mr. ING. That is right. That is three.

Mr. RICE. What else?

Mr. ING. We have two men in the scratch sheet office.

Mr. RICE. Where is the scratch sheet office located?

Mr. ING. In the Munsey Building.

Mr. RICE. Same floor?

Mr. ING. That is right. We have two in there and we have two clerks out in the other office.

Mr. RICE. They are taking money from the customers?

Mr. ING. No; the two clerks are out there, one of them is giving out any results that may come in, and the other——

Mr. RICE. They are handling phones?

Mr. ING. That is right. Mr. Bilson and I are in the other office.

Mr. RICE. Who is the one who does the calling of the races? Who are those two clerks?

Mr. ING. They alternate.

Mr. RICE. What are their names?

Mr. ING. Toye is one, and Wyma is another.

Mr. RICE. What number do the customers who have the code numbers call in on?

Mr. ING. Do you mean in the office?

Mr. RICE. Yes. Suppose you gave a man number 13. What number is he supposed to call?

Mr. ING. On the big board, that is 13 trunk line. It is Mulberry 7373.

Mr. RICE. If he calls in and that number is busy, it jumps over to the next one?

Mr. ING. That is right.

Mr. RICE. When was the last time you had any revenue from that?

Mr. ING. From that?

Mr. RICE. From that; yes.

Mr. ING. That was in 1949; wasn't it?

Mr. RICE. I don't know.

Mr. ING. That is when the wire was taken down.

Mr. RICE. That is the last time?

Mr. ING. Yes, sir.

Mr. RICE. Do you make up a monthly P and L statement—profit and loss?

Mr. ING. No.

Mr. RICE. When do you make a financial statement?

Mr. ING. We have a weekly report. That is all the "ins and outs" and with the balance left.

Mr. RICE. All the ins and outs?

Mr. ING. In other words, all the revenue taken in, all the expenses paid out, and the balance is there.

Mr. RICE. That is supported by vouchers?

Mr. ING. Everything that is paid out is paid by check. All expenses are paid by check.

Mr. RICE. Is the telephone service for any individual outside of the Munsey Building paid?

Mr. ING. Do you mean are any bills paid for anybody?

Mr. RICE. For instance, your home telephone.

Mr. ING. Mine is; yes, sir.

Mr. RICE. Your home telephone?

Mr. ING. Yes, sir. And so is Mr. Bilson's.

Mr. RICE. And so was Roscoe Odle's at one time.

Mr. ING. Only when he made some calls for us, as well as I can remember. That has been some time ago, where we have ever paid any for Mr. Odle. That has been a long time ago.

Mr. RICE. Did any other employees have their telephones paid?

Mr. ING. No. The only time that a telephone bill would ever be paid for any employee other than Mr. Bilson or myself is if his phone was used for some reason, like being out of town—like we were out of town or something and wanted to call and get any—well, I mean ask what went on or anything, then we would pay it because it would not be fair for him to pay those toll charges.

Mr. RICE. Do you get an automobile allowance?

Mr. ING. I do, yes, sir.

Mr. RICE. How much is that?

Mr. ING. \$20.

Mr. RICE. A week?

Mr. ING. Yes, sir.

Mr. RICE. And does Mr. Bilson get an automobile allowance?

Mr. ING. Yes, sir.

Mr. RICE. How much does his amount to?

Mr. ING. \$25.

Mr. RICE. \$25 a week?

Mr. ING. That is right.

Mr. RICE. How about MacInerney?

Mr. ING. No, sir.

Mr. RICE. Does anyone else get an automobile allowance?

Mr. ING. No, sir.

Mr. RICE. What do you use your car for?

Mr. ING. Well, Mr. Rice, to tell you the truth I very seldom use mine. If I was able to get an allowance for my car, I am certainly going to take it.

Mr. RICE. Who gives you that allowance?

Mr. ING. The company.

Mr. RICE. The company?

Mr. ING. That is right.

Mr. RICE. Is that charged off in your tax return as an operating cost of the business?

Mr. ING. No, sir. I pay tax on that.

Mr. RICE. Wait a minute. I am talking about in your weekly ins and outs.

Mr. ING. Oh, yes, that is marked off each week as a business expense each week, yes, sir.

Mr. RICE. Do you understand that, Senator, he charges \$20 a week, and Bilson charges \$25 a week for automobile expenses, and he says he could not use his very often, and I don't imagine Mr. Bilson does either, and both of them charge that in the weekly expenses as an operating expense to the company and take the tax deduction on the company return for that.

Do you get any other expenses, your house, rent, or light, or anything?

Mr. ING. No, sir.

Mr. RICE. How about Mr. Bilson?

Mr. ING. No, sir.

Mr. RICE. Do you have any other office space in the Munsey Building besides the sixth floor?

Mr. ING. Yes, sir.

Mr. RICE. What is there, and where is it?

Mr. ING. The eighth floor.

Mr. RICE. What is on the eighth floor?

Mr. ING. That is where the scratch sheet is compiled and printed.

Mr. RICE. What rooms do you have there?

Mr. ING. 827.

Mr. RICE. Is the printing equipment actually there?

Mr. ING. That is right.

Mr. RICE. It is actually printed there?

Mr. ING. Yes, sir.

Mr. RICE. You run a direct line up to there?

Mr. ING. That is right.

Mr. RICE. And you have no participation whatsoever in the World Wide News?

Mr. ING. None whatsoever.

Mr. RICE. This is a copy of the Howard Sports Daily that I hold in my hand.

Mr. ING. That is right.

Mr. RICE. It is printed there daily?

Mr. ING. That is right.

Mr. RICE. It sells for 25 cents?

Mr. ING. That is right.

Mr. RICE. How is that distributed?

Mr. ING. We have three drivers. They take those out and put them on the stands every day.

Mr. RICE. Are they on your payroll?

Mr. ING. Yes, sir.

Mr. RICE. How about the truck equipment?

Mr. ING. The which?

Mr. RICE. Do you own the trucks they drive?

Mr. ING. No; they use their own cars.

Mr. RICE. They distribute it to the newsstands.

Mr. ING. That is right.

Mr. MOSER. In what cities does that go?

Mr. ING. Baltimore only.

Mr. RICE. There seems to be some question about how many telephone numbers you have there. Do you know the total number of telephones that you have?

Mr. ING. We have the 15 trunk lines in the board. That is the 15-keyboard. Then you have the 3 auxiliary lines. That is 7388, 89, and 90.

Mr. RICE. Mulberry?

Mr. ING. That is right. Then we have a Plaza 2315.

Mr. RICE. What is the Plaza 2315?

Mr. ING. That is in the key cabinet on the front office desk.

Mr. RICE. That is a direct line?

Mr. ING. A real telephone.

Mr. RICE. You can call in on that from the outside and go right to the front office?

Mr. ING. That is right. And then you have the telephones around in the scratch-sheet office.

Mr. RICE. How many are those?

Mr. ING. I think there is close to 13 or 15 there.

Mr. RICE. Are those separate lines?

Mr. ING. Do you mean are they billed separately?

Mr. RICE. No, can individuals be brought in on them?

Mr. ING. Individually, yes, but there is no way to hook two together or anything with those.

Mr. RICE. They are just 15 separate forms?

Mr. ING. Thirteen or fifteen.

Mr. RICE. They all have different numbers, don't they?

Mr. ING. Yes. They are billed under Plaza 2200.

Mr. RICE. But they have a number of different numbers?

Mr. ING. They are all different. There is no sequence there. There is no jump from one phone to the other.

Mr. RICE. Why is that, in case the switchboard cuts out?

Mr. ING. That is where the scratch-sheet calls are taken. People who buy the scratch sheet and want to get a result, they call in there.

Mr. RICE. They call in there and get the same results——

Mr. ING. I think the number is on the front of the sheet.

Mr. RICE. Plaza 2200?

Mr. ING. That is right.

Mr. RICE. What are the arrangements? The person pays 25 cents for the scratch sheet, and then what?

Mr. ING. They call in.

Mr. RICE. Do they have to give a code?

Mr. ING. The numbers are different on the scratch sheet.

Mr. RICE. Every day?

Mr. ING. Oh, yes.

Mr. RICE. They have to know what number to call.

Mr. ING. In other words, you call in for a result and the clerk who answers the phone will say "1, 2, and 3." Well, you have the scratch sheet and the Howard numbers are the numbers they use.

Mr. RICE. They pay nothing for that service except the cost of the scratch sheet?

Mr. ING. That is right.

Mr. RICE. And the numbers of those do not coincide with the track numbers?

Mr. ING. No, sir.

Mr. RICE. So that you have to have this. To get the winner they have to use the numbers which you arbitrarily fix?

Mr. ING. The Howard numbers, that is right.

Senator HUNT. About what are the net profits of the Howard Sports Daily a year?

Mr. ING. Senator, just as I explained in Chicago, the net profits—now I don't know just how to put this for you—at the end of the year, this working balance is kept and the balance of the money, if any, would be sent to Continental as reimbursement for possibly the weeks when we could not pay for the news.

Senator HUNT. Would you give me a little more detail on that? In sending it to the Continental Press, are you sending it to them as a member, a holder of stock in your corporation, or are you sending it to them for services rendered to you, or are you sending it to them for, third, administrative objection? By that I mean, their telling you how to run your business?

Mr. ING. No, sir; we are sending that to them in part payment of the news. As I explained to Mr. Rice, if we would have to pay Continental on the same basis that they pay us, we could not survive. We would be out of business. We could not pay that way.

Senator HUNT. Now in your income tax return at the end of the year do you file that as a corporation?

Mr. ING. The company, yes, sir.

Senator HUNT. Does the Continental Press include in their income tax return the payments that you make to them?

Mr. ING. Now, Senator, I could not say what the Continental does. I have no way of knowing what Continental does.

Now the amount of money that Continental sends us is included in our income.

Senator HUNT. Now give us a description of the contract that you have with Continental.

Mr. ING. The only contract is a verbal one. As I said before, Mr. Bilson and Mr. Lloyd agreed on that figure for the news from the tracks that we were to gather the news from.

Senator HUNT. Now there appears to be roughly 30 such companies as yours over which Continental Press has jurisdiction. Do you mean to say there is no written agreement at all as between the Continental Press and Howard Sports Daily, and the same would prevail with all the other 29?

Mr. ING. I could not answer for the other ones, but there is no written agreement for Howard Sports Daily. I cannot answer for any other company or concern, or Continental.

Senator HUNT. How often do you have communications with Continental with reference to administration of your company?

Mr. ING. Administration of our company?

Senator HUNT. Yes.

Mr. ING. We do not have it.

Senator HUNT. Do representatives of Continental Press call at your office often?

Mr. ING. No, sir; they do not. I do not know when any representative of Continental was last in there, and then I do not think it was for any policy of the business or anything of that sort.

Senator HUNT. How often do you have correspondence with the Continental Press with reference to interadministration matters?

Mr. ING. I bill them every week for the news that we gather, but that is all the correspondence that we have with them.

Senator HUNT. With reference to the assigning of these territories by Continental, is that verbal or is that a written contract?

Mr. ING. As I say, as far as I know, Senator, they never assigned any territories.

Senator HUNT. I have no further questions.

Mr. MOSER. May I ask a question?

Mr. RICE. Yes.

Mr. MOSER. As I understand it, your company pays to Continental each year the amount it has left over after having paid its own salaries and administrative expenses.

Mr. ING. All expenses.

Mr. MOSER. The whole amount it has left over, it turns over to them?

Mr. ING. Other than, we will say, enough to carry us on for the next week, with any current expenses.

Mr. MOSER. A reserve is set aside?

Mr. ING. That is right. In other words, we do not send them everything that we have as a balance.

Mr. MOSER. Now suppose you and your fellow stockholders decide to increase your own salaries. Let us say, you increase them by 20 percent. Can you do that without consulting Continental?

Mr. ING. Sure.

Mr. MOSER. Can you increase your salaries to the point where you wipe out what Continental gets?

Mr. ING. Well, now, if you do that you will wipe out other things along with it.

Mr. MOSER. Like what?

Mr. ING. I mean you are not going to be able to pay other current expenses, too.

Mr. MOSER. Suppose you make enough money so you can pay yourselves enough salary so that the amount Continental Press gets is zero. Suppose you just fixed it like that?

Mr. ING. I do not think that would be too good a business.

Mr. MOSER. Not for the Continental Press.

Mr. ING. Nor for us either because they could shut us off with the news.

Mr. MOSER. They could stop giving you the news?

Mr. ING. Other than the race tracks where we gather our own.

Mr. MOSER. How do you know how high you can go in increasing your salaries without getting cut off?

Mr. ING. We have to use a little bit of discretion and keep it within bounds as far as the current operating expenses will allow, along with the revenue that you take in.

Mr. MOSER. Who sets those bounds?

Mr. ING. As it is right now, the revenue is so low that it would be impossible to do that.

Mr. MOSER. Who sets the bounds that you have to stay within? You say you have to keep it within bounds.

Mr. ING. We do.

Mr. MOSER. Who sets the bounds?

Mr. ING. We do.

Mr. MOSER. Now you say that you charge your customers according to what the traffic will bear?

Mr. ING. That is right.

Mr. MOSER. How do you know what the traffic will bear?

Mr. ING. We try to get as much as we can. Then, if the subscriber cannot pay that, then we have to come down.

Mr. MOSER. What do you do, do you dickie with them over the telephone?

Mr. ING. Not especially dickie with them, but a person from out of town calls up and wants service, all right; we take into consideration roughly how far from the sending point, which is Baltimore, how far away that is, to determine how high the charges would run to service the man, and then start there at a figure and quote him a price: "Well, all right, your rate will be \$100 a week, plus tax."

Now if he said that he could not pay that and we did not feel that we could make any money with the charges and all at less than that, then we would have to let it stand that way.

Mr. MOSER. He cannot operate unless you give him the service, can he?

Mr. ING. I do not know about that.

Mr. MOSER. You are the one who supplies the territory exclusively, are you not?

Mr. ING. As far as I know; yes.

Mr. MOSER. Then he cannot operate unless you let him.

Mr. ING. Well, I would not put it that way.

The man calls us and wants to subscribe to the service. We have never yet held a cost so prohibitive that the man, if he wanted the service in the beginning, refused afterward.

Now by that I mean we do not set prohibitive amounts on the cost of the service, but we do try to get as much for the service as we can.

Mr. MOSER. Do you find out from him what his business is; how much it is?

Mr. ING. No.

Mr. MOSER. You do not know how much his business is?

Mr. ING. We would not have any idea.

Mr. MOSER. Do you find out what kind of a person he is?

Mr. ING. No.

Mr. MOSER. Whether his credit is good? You do not investigate him?

Mr. ING. He sends his check in advance.

Mr. MOSER. You do not investigate him at all?

Mr. ING. No, sir.

Mr. MOSER. You do not know how much his volume of business is?

Mr. ING. I do not know anything about his business.

Mr. MOSER. Then I do not see how you know what the traffic will bear.

Mr. ING. All I can tell you is that, like I say, you try to figure the cost to you. If there are any other subscribers in his immediate vicinity or in his State, you keep his right in line with the rest of them.

Mr. MOSER. You keep him right in line with the rest of them?

Mr. ING. With any other subscriber in that locality, or that State.

In other words, for instance, in Augusta, Ga., we have two subscribers there. We had one and his rate was \$108. Then this other man applied for service. Then his rate was \$108, too.

Mr. MOSER. Now in Baltimore you have a lot of telephone subscribers?

Mr. ING. Not a lot of them; no, sir.

Mr. MOSER. You have some. Do they all pay the same rate?

Mr. ING. No. Not now they do not.

Mr. MOSER. They pay a different rate?

Mr. ING. Now they do; yes, sir.

Mr. MOSER. How do you arrive at those different rates?

Mr. ING. We take anything we can get right now. With four telephone subscribers, we would have to take what price we can get. We start at \$10. If the man says, "No; I cannot pay that," then all right, we have to try to get the best that we can.

Senator HUNT. I want to ask just one more question: Could your company, the Howard Sports Daily, exist if you had no business relations of any kind with Continental Press?

Mr. ING. Do you mean if we did not buy the news from Continental, do you mean?

Senator HUNT. If you had no intercourse in a business way at all with Continental Press, could your company exist?

Mr. ING. I don't say "No," because we could not gather the news at all race tracks. We are not so equipped and we do not have the help or men to gather the news at all race tracks.

Senator HUNT. Are there any other questions?

Mr. RICE. I have no further questions. Only one thing, Mr. Ing: We would like to make an arrangement to keep in touch with you, to get the names of the employees and to take a look at your weekly "ins and outs" as you call them, which include your expenses, and also to take a look at your copies of your Federal tax return.

Is that agreeable?

Mr. ING. Surely.

Mr. RICE. We can have someone get in touch with you.

Mr. ING. They are right there at 631, any time you want to come up to see them.

Senator HUNT. Thank you, Mr. Ing.

Mr. MOSER. Mr. Chairman, this committee has hearings in Florida on June 21 and June 22. On June 22, there appeared before the committee Lester C. Boggs, the mayor of Hollywood, Fla., who testified with regard to his income and other matters.

On Friday, June 29, Mr. Boggs' attorney, Mr. D. T. Ellis, Jr., of the firm of Ellis & Spencer, 1924 Boulevard, Hollywood, Fla., P. O. Box No. 6, came to my office and brought in an affidavit signed by Mr. Boggs, in which he states in substance that he was confused at the time he testified, and made a number of errors with regard to the amount of his income, due to the fact that he did not have his books nor his accountant present.

The affidavit is made under oath and reference to this committee and purports to be binding upon him as testimony submitted to this committee.

I offer this affidavit in evidence, and I also offer as exhibits to be incorporated by reference in the record, but not to be printed in the record, two exhibits attached to the affidavit, entitled "Exhibit A" and "Exhibit B."

I promised Mr. Ellis that I would offer these in evidence as part of the record.

Senator HUNT. Without objection, they will be received and made a part of the record.

(The affidavit referred to is as follows:)

AFFIDAVIT AND STATEMENT OF LESTER C. BOGGS, MAYOR OF THE CITY OF HOLLYWOOD

STATE OF FLORIDA,

County of Broward, City of Hollywood, ss:

Before me, the undersigned authority, duly authorized to administer oaths, personally appeared Lester C. Boggs, of 2301 Lee Street, Hollywood, Broward County, Fla., who being by me first duly sworn upon his oath says:

1. That he is the duly elected, qualified, and acting mayor of the city of Hollywood, Fla., and he has been a member of the city commission of the city of Hollywood, Fla., each year commencing with and since the year 1935.

2. That in the early morning of Friday, the 22d day of June A. D. 1951, at approximately 12:45 a. m., he was served with a subpoena to appear before the committee of the United States Senate investigating crime conditions in the United States, especially with reference to interstate crime, for him to appear and testify before said committee Thursday, the 21st day of June, at 9:30 a. m., and to bring with him any and all income-tax returns and books, and records of his business. Affiant interpreted said subpoena to mean his appearance at 9:30 a. m. on said Friday, June 22, 1951, and he appeared at said committee hearing in the courthouse at Miami, Fla., and was present at the opening of said hearing at 9:30 upon said date, June 22, 1951.

Affiant had no time or opportunity to check the records of his business or to confer with his son, Arthur Boggs, who keeps said records.

3. Affiant further says he was duly sworn to testify the truth during the morning of said hearing, and delivered to said committee the only records which he could obtain previous to said hearing, to wit, his income-tax returns for the years 1945 through 1950, inclusive, and certain of his bank statements from the Dania Bank. Affiant's main business consists in the manufacture and installation of septic tanks and sanitation business in Hollywood and South Broward County, Fla., and a small hog farm west of Hollywood, Fla.

4. Affiant desires to clarify his testimony made at said hearing of said Senate committee in the following particulars:

(a) Affiant, after he stated he was in the septic tank and sanitation business and could only furnish estimates of his income, was asked by Richard Moser, chief counsel for said committee, to estimate the number of septic tanks he manufactured and installed per month of the type for the average home. Affiant estimated 15 septic tanks per month, which he had stated cost approximately \$81 each. Affiant intended to estimate 15 such septic tanks per week, and affiant now ascertains that during the year 1950 his business manufactured and installed, of all varieties, about an average of 11 septic tanks per week. Affiant further says that his business consists not only in manufacturing and installing septic tanks, but in general sanitation business, and constructing sewers, disposal fields, and in general repair work of such nature.

(b) Affiant stated at said hearing his source of income was said septic-tank and sanitation business and said hog farm. Affiant has small income from other sources, to wit, salary as city commissioner of Hollywood of \$50 per month, interest on several small mortgages, and some rent income.

(c) Affiant attaches hereto, marked "Exhibit A," and makes the same a part hereof and swears to the truth thereof, a statement prepared from his Federal income-tax returns for the years 1945, 1946, 1947, 1948, 1949, and 1950, showing his income from all sources during said years. Affiant says from broadcasts over the radio and television of said hearing, and newspaper stories and com-

ments following said hearing, the general public has gained the impression that affiant during said years obtained from his septic-tank business a profit of approximately \$500,000 during said 6 years. Affiant offered at said hearing to read into the record not only the gross receipts of his said business but the net income derived therefrom for each of said years, but was advised the committee was not interested in the net income, after he had given it for the first year only, 1945.

(d) Affiant attaches hereto a statement in abstract form showing details of his business for the year 1950, so that it can be shown the source of his income in said business and how it is derived. Said statement is marked "Exhibit B," and is made a part hereof and affiant swears to the truth thereof.

5. Affiant further says that as soon as he learned testimony had been directed against him on June 21, 1951, by certain residents of the city of Hollywood before said committee, he had determined decidedly to request the privilege of appearance before said committee to state the facts concerning affiant and his business. Affiant intended to ascertain the facts in detail and furnish full information to said committee. At said hearing affiant offered to said committee, its agents, investigators, and employees, full access to any and all records of the business of said affiant. Under the circumstances, when affiant was faced with the battery of newspaper cameras, television cameras, and radio microphones, in his said testimony affiant became confused, and so made the two noted mistakes above; his statement in his estimate of the amount of septic tanks manufactured and installed per month of the small-home type, and the mistake in omitting to state he derived income from his salary as city commissioner, from interest on mortgages, and rent.

Affiant makes this statement under oath, and requests that the same be made a part of the record of the said United States Senate investigation.

Affiant renews his invitation to the committee to make any and all investigations of his business records as to the source of his income, type of business which he conducts and as to any and all matters of interest concerning him, within the province and jurisdiction of said committee.

Further affiant saith naught.

Dated this 26th day of June, AD., 1951.

[SEAL]

LESTER C. BOGGS.

Sworn to and subscribed before me this 26th day of June, A. D., 1951.

[SEAL]

DOROTHY J. WILEY,

Notary Public, State of Florida at large.

My commission expires January 18, 1952. Bonded by American Surety Co. of New York.

(Whereupon, at 4:50 p. m., the committee adjourned, subject to the call of the chairman.)

INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

MONDAY, JULY 9, 1951

UNITED STATES SENATE,
SPECIAL COMMITTEE TO INVESTIGATE
ORGANIZED CRIME IN INTERSTATE COMMERCE.
Washington, D. C.

EXECUTIVE SESSION

The committee met, pursuant to call of the chairman, at 2:15 p. m., in room P-36, United States Capitol, Senator Lester C. Hunt presiding.

Present: Senators O'Connor (chairman), Hunt (presiding), and Tobey.

Also present: Richard G. Moser, chief counsel; Murray Jackson and Thomas S. Smith, investigators.

Senator HUNT. The committee will come to order.

May I ask who are the other four gentlemen, besides the witness?

Mr. BERMAN. This is Mr. Rover, of Washington. I am Paul Berman. This is Mr. Levin, and this is Mr. Pechacek.

Senator TOBEY. The witness has four lawyers?

I suppose you are giving your services? [Laughter.]

Senator HUNT. Gentlemen, you are all welcome. Let me say, however, that we attempt to confine counsel's remarks directly to his client.

Would you stand, Mr. Goldberg, and be sworn?

Do you solemnly swear the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GOLDBERG. I do.

TESTIMONY OF GEORGE GOLDBERG, BALTIMORE, MD., ACCOMPANIED BY PAUL BERMAN, LEO A. ROVER, SIGMUND LEVIN, AND CLARENCE G. PECHACEK, ATTORNEYS

Mr. ROVER. At the outset, Mr. Chairman, to save the record in this case, I would like to make a point of no quorum and that, therefore, the witness should not be required to answer questions.

Senator HUNT. We have the usual full committee action for the subcommittee to meet?

Mr. MOSER. Yes. This is a subcommittee.

Senator HUNT. The action of the full committee provides that if one member of the committee is present that is considered a quorum.

Senator TOBEY. May I make a comment to Mr. Rover?

The thing that tickles me and amuses my risibilities is that here is a committee of the Senate sitting, and it does not make a difference whether it is one member or five members, and the first thing you fellows want to do is to come in and call a halt. Why don't you come in and say, "We have nothing to conceal. Ask anything you want. We are as clean as a hound's tooth. Go ahead and shoot." Would that not be better than coming in this way—

MR. ROVER. I think the fault is the fault of Congress in not passing a proper immunity statute.

Senator TOBEY. I think the truth will always bear the test.

MR. ROVER. I beg your pardon?

Senator TOBEY. I think the truth will bear the test.

MR. ROVER. Maybe so.

Senator TOBEY. My Lord, you come in, and the first crack you make is "No quorum."

MR. ROVER. I think we are justified in making it, as lawyers. This man has rights.

Senator TOBEY. Sure he has got rights; so have the public got rights.

MR. ROVER. All right.

Senator HUNT. All right, you go ahead; if counsel will proceed with the questioning.

MR. MOSER. Mr. Goldberg, will you please state your full name?

MR. GOLDBERG. George Goldberg.

MR. MOSER. What is your address?

MR. GOLDBERG. 2305 Ocala Avenue.

MR. MOSER. Baltimore?

MR. GOLDBERG. Yes, sir.

MR. MOSER. Maryland?

MR. GOLDBERG. Yes, sir.

MR. MOSER. Is that your residence address?

MR. GOLDBERG. Yes, sir.

MR. MOSER. It is not your business address?

MR. GOLDBERG. No, sir.

MR. MOSER. Do you conduct any business from that address?

MR. ROVER. May I have that question, please?

MR. MOSER. Do you conduct any business at that address?

MR. GOLDBERG. No, sir.

MR. MOSER. No business at that address?

MR. GOLDBERG. No.

MR. MOSER. You are, as I understand it—you were asked to produce some records, pursuant to the subpoena that has been served on you.

MR. GOLDBERG. I refuse to produce books, records, correspondence, and documents called for in the subpoena because to produce the same may tend to incriminate me, and also because it violates my rights against unreasonable search and seizure, which are protected by the fourth amendment to the Constitution.

Senator TOBEY. There is one distinction in that statement he makes, Mr. Chairman, over the common herd that have been here. He says, "It would tend to incriminate me." Most of them say, "It might tend to incriminate me." That is getting along. I am grateful for that progress.

MR. MOSER. Mr. Goldberg, then you refuse to produce the records that we have subpoenaed, is that correct?

Mr. GOLDBERG. Yes, sir; on the grounds——

Mr. BERMAN. Senator, I might say——

Mr. MOSER. Will you state your full name?

Mr. BERMAN. Paul Berman.

Mr. MOSER. All right, Mr. Berman.

Mr. BERMAN. Senator, Mr. Goldberg said to produce it may tend to incriminate him.

Senator TOBEY. I see; I thought he said it would.

Mr. BERMAN. No; it may.

Mr. MOSER. Has there been any attempt to search and seize you with respect to these records?

Mr. GOLDBERG. I couldn't say.

Mr. MOSER. What did you say?

Mr. GOLDBERG. I couldn't say.

Mr. MOSER. You do not know?

Mr. GOLDBERG. No, sir.

Mr. MOSER. Has anybody come to your house to get the records?

Mr. GOLDBERG. I don't know.

Mr. MOSER. Has anybody done any more than serve a subpoena on you requesting them?

Mr. GOLDBERG. I think they have gone to my lawyers to try to obtain records.

Mr. MOSER. To ask for them?

Mr. GOLDBERG. I don't know what proceedings——

Mr. MOSER. Has there been any attempt to obtain these records from you by force?

Mr. GOLDBERG. I can't answer that.

Mr. MOSER. You do not know? As far as you know there has been none; is that correct?

Mr. GOLDBERG. I don't know.

Mr. MOSER. As far as you know has there been any attempt of any kind to obtain these records in any way except by the service of a subpoena asking for their production?

Mr. GOLDBERG. They tried to obtain the records from my attorneys.

Mr. MOSER. Other than that you have no knowledge of any attempt to obtain the records?

Mr. GOLDBERG. I have no knowledge of it.

Mr. MOSER. Yes. And still you claim that our subpoena demanding the production of them constitutes unlawful search and seizure; is that your position?

(Mr. Goldberg nodding affirmatively.)

Mr. MOSER. When you answer the questions, will you do it out loud so that the stenographer can take it down?

Mr. GOLDBERG. Yes, sir.

Mr. MOSER. We have asked you to produce records, and you claim to produce them would expose you to self-incrimination?

Mr. BERMAN. No; he said "may."

Mr. MOSER. Expose you to self-incrimination?

Mr. GOLDBERG. May.

Mr. MOSER. Is the crime that you fear you would incriminate yourself with regard to a Federal offense?

Mr. GOLDBERG. Yes.

Mr. MOSER. It is a Federal offense?

Mr. GOLDBERG. Yes.

Mr. MOSER. Is it a State offense?

Mr. GOLDBERG. Federal.

Mr. MOSER. Federal only.

Mr. Goldberg, with respect to the crime with respect to which you fear incrimination, would you please tell us whether the offense occurred more than 10 years ago?

Mr. GOLDBERG. I refuse to answer.

Mr. MOSER. You refuse to answer?

Mr. GOLDBERG. On the grounds it may tend to incriminate me.

Mr. MOSER. Did the offense occur more than 3 years ago?

Mr. GOLDBERG. I won't answer that.

Mr. MOSER. You refuse to answer it?

Mr. GOLDBERG. I refuse to answer on the ground it may tend to incriminate me.

Mr. MOSER. Did the offense occur more than 3 years ago?

Mr. GOLDBERG. I refuse to answer on the ground that it may tend to incriminate me.

Mr. MOSER. Mr. Goldberg, have you ever heard of the statute of limitations as a bar to prosecution in Federal offenses?

Mr. GOLDBERG. No, sir.

Mr. MOSER. Did you answer that question?

Mr. GOLDBERG. No, sir. I answered it "No, sir."

Mr. MOSER. You do not know about the statute of limitations?

Mr. GOLDBERG. No, sir.

Mr. MOSER. You have four lawyers present. Will you please ask them for advice with regard to the effect of the statute of limitations with respect to the offense that you have in mind?

(Mr. Goldberg conferred with counsel.)

Mr. GOLDBERG. I conferred with my lawyers, and the answer is still the same.

Mr. MOSER. That you had never heard of the statute of limitations?

Mr. GOLDBERG. No, sir; I had never heard of the statute of limitations, and I refuse to answer.

Mr. MOSER. Did your lawyers advise you with respect to the statute of limitations?

Mr. ROVER. I don't think he has to answer that, Mr. Chairman. It is a confidential communication between lawyer and client.

Mr. MOSER. We have not asked you what communication you have received from your lawyer. We have asked whether you have heard of the statute of limitations.

Mr. GOLDBERG. No, sir; I have not.

Mr. MOSER. You have not?

Mr. GOLDBERG. No, sir.

Mr. MOSER. Have you consulted your lawyers with respect to that?

Mr. GOLDBERG. No, sir.

Mr. MOSER. You have not? Do you refuse to consult them?

Mr. GOLDBERG. Yes.

Mr. MOSER. You do refuse to consult them.

Now, Mr. Goldberg, the purpose of this committee is to obtain information with regard to crime, and we are not trying to get you or get anybody. We are trying to get information to be used by this committee to submit legislation to Congress. Do you understand that? Your answer is "Yes"?

Mr. GOLDBERG. Yes.

Mr. MOSER. You do understand that?

Mr. GOLDBERG. Yes.

Mr. MOSER. Have you any knowledge regarding criminal activities in the city of Baltimore on matters which would not incriminate you?

Mr. GOLDBERG. I refuse to answer on the ground that it may tend to incriminate me.

Mr. MOSER. You refuse to answer that question?

Mr. GOLDBERG. Yes.

Mr. MOSER. Do you own an interest in a hotel that operates a legitimate business?

Mr. GOLDBERG. I refuse to answer that on the ground that it may tend to incriminate me.

Mr. MOSER. Do you know of the Hotel Biltmore in Baltimore?

Mr. GOLDBERG. I refuse to answer that on the grounds it may tend to incriminate me.

Mr. MOSER. Mr. Goldberg, have you ever been convicted of any crime?

Mr. GOLDBERG. I refuse to answer that.

Mr. MOSER. You refuse to answer the question?

Mr. GOLDBERG. On the ground that it may tend to incriminate me.

Mr. MOSER. You understand that question correctly? I asked whether you had ever been convicted of any crime. You understood that?

Mr. GOLDBERG. Yes, sir.

Senator TOBEY. What is his answer?

Mr. MOSER. He refuses to answer the question.

Mr. GOLDBERG. On the grounds that it may tend to incriminate me.

Senator TOBEY. Of course, Mr. Chairman, if he has had a conviction it is a matter of record. How could the record incriminate him?

Mr. MOSER. Well, his counsel knows that. They know that a conviction is something you cannot claim a privilege on.

Mr. ROVER. We do not know that at all. That is your contention; it is not our contention.

Senator TOBEY. What I am getting at, Mr. Rover, is, let us assume a hypothetical case, not the gentleman before us. If John Jones had had a criminal record and had been convicted for it, it is a matter of record. How could the testimony and affirmation that he had a criminal record and convictions incriminate him on something else, because manifestly in any other trial they would bring out a man's criminal record beyond any peradventure of doubt.

Mr. MOSER. Mr. Goldberg, do you engage in any legitimate business?

Mr. GOLDBERG. I refuse to answer that on the grounds it may tend to incriminate me.

Mr. MOSER. Do you engage in any business which would not tend to incriminate you?

Mr. GOLDBERG. I refuse to answer that on the grounds it may tend to incriminate me.

Mr. MOSER. Do you know of any business activities in the city of Baltimore of any kind carried on by you or by anyone else?

Mr. GOLDBERG. I refuse to answer that on the ground that it may tend to incriminate me.

Mr. MOSER. Do you know of any activity carried on by other people in which you are not involved, and the revealing of which could not incriminate you?

Mr. GOLDBERG. I refuse to answer that on the ground that it may tend to incriminate me.

Mr. MOSER. All right.

Now, I request that the Chair instruct the witness to answer all of the questions to which he has given the answer that he refuses to answer on the grounds of incrimination.

Senator HUNT. The chairman of the subcommittee directs the witness to answer all of the previously asked questions in which he has refused to do so on the grounds that he may incriminate himself.

Mr. GOLDBERG. I refuse to answer on the ground it may tend to incriminate me.

Mr. MOSER. Mr. Goldberg, you have understood all of the questions, have you?

Mr. GOLDBERG. I have.

Mr. MOSER. You have? Do you want them repeated in order that you will be sure to know what the questions are?

Mr. GOLDBERG. No.

Mr. MOSER. You do not; and you stand on your claim of self-incrimination, stating that you know what the questions were and that you understand them, is that correct?

Mr. GOLDBERG. Yes, sir.

Mr. MOSER. Well, I think that is all we need from him.

Senator HUNT. All right, thank you, Mr. Goldberg.

(Discussion off the record.)

Mr. BERMAN. When I talked to Mr. Jackson, I think it was last Thursday—

Mr. JACKSON. That is right.

Mr. BERMAN. I told Mr. Jackson that we had an appointment at 1 o'clock today with an internal revenue man to go over our income tax. I was able to postpone that meeting at 1 o'clock today in order to be here at 2, and that is why I did not know whether we would be here today or not, when I spoke to you because I did not know whether it was possible to postpone that, but as soon as I discovered it was, I called your office.

Mr. MOSER. Let us bring in Mr. King.

This is Willis M. King.

Senator HUNT. Mr. King, would you please stand and be sworn.

Do you solemnly swear the testimony you give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. KING. I do.

Senator HUNT. Will you give your full name?

TESTIMONY OF WILLIS M. KING, BALTIMORE, MD., ACCOMPANIED BY WILLIAM GREENFELD, ATTORNEY, BALTIMORE, MD.

Mr. KING. Willis M. King.

Senator HUNT. May we have the name of counsel?

Mr. GREENFELD. William Greenfeld, 600 Court Square Building, Baltimore.

Mr. MOSER. Mr. King, would you state your name and address, please?

Mr. KING. Willis M. King, 1301 Lakeside Avenue, Baltimore, Md.

Mr. MOSER. Is that your residence address?

Mr. KING. Yes, sir.

Mr. MOSER. Do you conduct any business from that residence at all?

Mr. KING. No, sir.

Mr. MOSER. None at all.

You were served with a subpoena, as I understand it, to produce records?

Mr. KING. Yes, sir.

Mr. MOSER. Have you got the records? Have you brought the records?

Mr. GREENFELD. The subpoena did not call for it.

Mr. JACKSON. Typed in at the bottom, Mr. Greenfeld, isn't there the requirements——

Mr. GREENFELD. It just says:

The books and records provisions of this subpoena may be satisfied if desired by delivery of the data to room 900, Federal Housing Loan Building, Washington, D. C.

That is all it says there.

Mr. MOSER. Mr. King, will you please produce for us your income-tax returns for the years 1942 through 1950?

Mr. GREENFELD. This is something new, Mr. Moser, and——

Mr. MOSER. I understand.

Mr. GREENFELD. And I do not know a thing about that.

Mr. MOSER. In view of the fact that it has been omitted from the subpoena, we are asking now that you produce them.

Mr. GREENFELD. Which is that, income-tax returns for which years?

Mr. MOSER. 1942 through 1950, inclusive.

Mr. GREENFELD. All right.

Mr. MOSER. Including the worksheets that back them up.

Mr. GREENFELD. Now, that you have made a request for them.

Mr. MOSER. Mr. King, we are, as you know, engaged in trying to obtain information regarding criminal activities in interstate commerce——

Mr. KING. Yes, sir.

Mr. MOSER (continuing). For the purpose of recommending legislation to Congress. We are not aiming at you; we are trying to get information. Would you tell us what your business is?

Mr. KING. I can't answer it.

Mr. MOSER. Can't answer it?

Mr. GREENFELD. Refuse.

Mr. MOSER. You mean you do not know?

Mr. KING. I refuse.

Mr. MOSER. You refuse to answer?

Mr. KING. Yes, sir.

Mr. MOSER. On what ground?

Mr. KING. It might incriminate myself.

Mr. MOSER. Now, Mr. King, we have some information here about you that I would like to discuss with your counsel privately. Would you have any objection to my doing that?

Mr. KING. No, sir.

Mr. MOSER. All right.

(Discussion off the record.)

Mr. MOSER. Mr. King, do you engage in any business?

Mr. KING. I can't answer it.

Mr. MOSER. You cannot answer it?

Mr. KING. No, sir.

Mr. MOSER. You mean because you do not know?

Mr. KING. I refuse to answer it, in other words.

Mr. MOSER. You refuse to answer it?

Mr. KING. Yes, sir.

Mr. MOSER. On what ground?

Mr. KING. It may tend to incriminate me.

Mr. MOSER. Mr. Greenfeld, we do not like to have counsel whisper the answer every time to the witness. It becomes a little fictitious if the witness is a mere conduit through whom the answer is given.

Mr. GREENFELD. Of course, Mr. Moser, you have to appreciate that a witness may not be familiar with the exact wording that he ought to use.

Mr. MOSER. I understand that, and we have no objection to your advising him. However, we do object to your giving him every answer which he will repeat for the record. That is not testimony.

Senator HUNT. I think, perhaps, counsel should indicate when each question—whether counsel has answered the question indirectly through the principal; it should be noted in the record.

Mr. MOSER. That is a good suggestion.

Mr. GREENFELD. Thank you, sir.

Mr. MOSER. Do you know anything about business activities of any kind that occur in Baltimore or in the State of Maryland?

Mr. KING. What do you mean by business activities?

Mr. MOSER. Any kind of business activities?

Mr. KING. I don't know anything about Baltimore.

Mr. MOSER. Don't you live in Baltimore?

Mr. KING. Yes, sir.

Mr. MOSER. But you do not know anything about what goes on there?

Mr. KING. I never get downtown; I don't hear any news.

Mr. MOSER. Does anybody in your neighborhood conduct any business?

Mr. KING. What kind of business do you mean?

Mr. MOSER. Legitimate business.

Mr. KING. I live in a private neighborhood. There is no legitimate business there with any—

Mr. MOSER. There is no legitimate business?

Mr. KING. I would say within half a dozen blocks or a dozen blocks; no, sir.

Mr. MOSER. Where do you carry on your business activities?

Mr. GREENFELD. It is my understanding that if I do not want him to answer a question that I should tell him, is that correct, Senator?

Senator HUNT. That is just a relationship between you as his counsel and the principal. I just wanted it noted in the record who was giving the answers, whether it was the witness or whether it was counsel.

Mr. GREENFELD. I am not going to give the answer, but if it is a question I do not think he ought to answer, I think it is my duty to so advise him.

Senator TOBEX. Wasn't the question where he carries on his business? Wasn't that the question?

Mr. MOSER. Will you repeat the question?

(The question was read by the reporter.)

Senator TOBEX. And you do not think, Mr. Counsel, he ought to answer that question?

Mr. GREENFELD. No, sir.

Mr. MOSER. Mr. King, you filed a Federal income-tax return for the year 1944, did you not?

Mr. KING. Yes, sir.

Mr. MOSER. Do you recall what you reported as your income for that year?

Mr. KING. I can't recall.

Mr. MOSER. Would it help you if I asked you if it was \$20,194.46?

Mr. KING. I really don't know, but I can get all of that income-tax return for you.

Mr. MOSER. Do you plan to produce those returns?

Mr. KING. What—

Mr. GREENFELD. Wait a minute.

Mr. MOSER. Do you plan to produce those returns?

Mr. GREENFELD. Wait a minute; we don't know. This is the first I heard of it insofar as the production of any income-tax records or any records, Mr. Moser.

Senator HUNT. Let us permit the witness to answer the question. Ask the question again, if you will, Counsel.

Mr. MOSER. Do you plan to produce your income-tax returns pursuant to our request?

Mr. GREENFELD. Excuse me for just one moment, if you do not mind.

Mr. MOSER. Let me add to that, when I say income-tax returns, I mean the taxpayer's copies of the tax returns.

Mr. GREENFELD. May I ask a question? I mean, I know if we were in court I would object to the question, but I know the procedure is not similar to that here. I mean there are certain questions, maybe new questions like this production of certain records, that we knew nothing about. I think he would have to consult with me first, and he would have to go into it with me. I do not think he is in a position to answer at the moment. I mean that is the story on it.

Mr. MOSER. Can't you decide now?

Mr. GREENFELD. Not at the moment.

Mr. MOSER. Mr. Greenfeld, can't you decide now as to whether or not he can produce his copies of the tax returns?

Mr. GREENFELD. I do not know. Your request was for the income-tax returns, together with worksheets.

Mr. MOSER. I have not asked him about that right now. I just said the tax returns. I asked him whether he will produce the copies of his tax returns.

Mr. GREENFELD. Well I can't see any objection to that; the income-tax returns in themselves; yes.

Mr. MOSER. The ones we requested?

Mr. KING. Yes.

Mr. MOSER. You will give us those?

Mr. KING. I will get them for you; I don't have them.

Mr. MOSER. But you will get them for us?

Mr. KING. Josh Miles has them.

Mr. GREENFELD. Joshua Miles.

Senator TOBEY. What is his business?

Mr. KING. He is a lawyer, income-tax man.

Senator TOBEY. He makes out your returns?

Mr. KING. Yes, sir.

Senator TOBEY. I see.

Mr. MOSER. Does he make them out on the basis you furnish to him?

Mr. KING. Yes, sir.

Mr. MOSER. You just give him the data from which he prepares the returns, is that correct?

Mr. KING. That is right.

Mr. MOSER. In connection with your income-tax returns for 1944, I asked you whether \$20,194.46 would be about correct. Did you furnish the Government in connection with that return, a net worth statement?

Mr. KING. Yes. That is how I make it out, I don't know.

Mr. GREENFELD. I am going to——

Senator HUNTER. Just talk to your client, please.

Mr. GREENFELD. Excuse me. Will you repeat the question to him?

Mr. MOSER. Your question has already been answered. What would you say with regard to that?

Mr. GREENFELD. I do not know what the answer is.

Mr. MOSER. Yes. Shall we go on to the next question?

Mr. GREENFELD. Yes.

Mr. MOSER. Mr. King, is it true that in connection with that net worth statement you listed your assets and showed a net worth of \$105,167.56 as of January 1, 1944?

Mr. KING. I couldn't answer that; I don't know.

Mr. MOSER. You do not know?

Mr. KING. No, sir.

Mr. MOSER. Is that approximately correct?

Mr. KING. I couldn't answer that, either, for the reason I don't know.

Mr. MOSER. Is that somewhere near your net worth at the beginning of 1944?

Mr. KING. I couldn't answer that, either.

Mr. MOSER. Let me show you the statement.

Mr. KING. If you show it to me, I can see all that. You can see all that, too.

Mr. MOSER. May I show you a statement which contains a list of your assets as supplied to the Bureau of Internal Revenue, and ask you whether or not it is correct?

Mr. GREENFELD. Was that attached to the income-tax return?

Mr. MOSER. Supplied.

Mr. KING. Is this a copy of the income tax?

Mr. MOSER. That is a copy of the statement which you supplied to the Bureau.

Mr. KING. Of that year?

Mr. MOSER. That you supplied to the Bureau of Internal Revenue in connection with your 1944 income-tax return at their request.

Mr. GREENFELD. This is what you returned in connection with your 1944 return.

Mr. KING. I can't remember.

Mr. MOSER. Will you look at that statement and see if you recognize any items on it?

Mr. KING. It's going back a long way. It is correct so far as I know, unless the lawyer made a mistake, and I am sure he didn't make any.

Mr. MOSER. As far as you know, that is correct?

Mr. KING. Yes, sir.

Mr. MOSER. Do you remember any of the items on it?

Mr. KING. You see, I never keep them copies. The lawyer keeps them copies.

Mr. MOSER. I understand, but you must have some knowledge of the material that is on it.

Mr. KING. I guess that is about right.

Mr. MOSER. All right.

Who is R. H. Amrein? Do you know him?

Mr. KING. What?

Mr. MOSER. Do you know R. H. Amrein?

Mr. KING. Yes; I know him.

Mr. GREENFIELD. Tell him.

Mr. MOSER. You do know him?

Mr. KING. Yes.

Mr. MOSER. What is his first name, Ralph?

Mr. KING. Ralph.

Mr. MOSER. What is his business?

Mr. KING. I got to ask my lawyer. [Laughter.]

(Conference with counsel.)

Senator TOBEY. Would you mind doing that again for the photographers?

Mr. GREENFIELD. We do not have this on television, Senator.

Senator TOBEY. That is one of the most touching scenes I have observed in a long time. [Laughter.]

Mr. MOSER. What is your answer, Mr. King?

Mr. KING. Yes; I know him.

Mr. MOSER. You said that, but what is his business?

Mr. KING. He was a lieutenant of police.

Mr. MOSER. Is he still?

Mr. KING. He is still a lieutenant.

Mr. MOSER. Did you lend him some money?

Mr. KING. \$5,000 on a note.

Mr. MOSER. A promissory note?

Mr. KING. That is right.

Mr. MOSER. Any interest?

Mr. KING. No, sir.

Mr. MOSER. Was it secured?

Mr. KING. What?

Mr. MOSER. Was it secured?

Mr. KING. Well, I guess it must have been; him and his wife signed it.

Mr. MOSER. It was just on the signature of him and his wife?

Mr. KING. That is right.

Mr. MOSER. How did you happen to lend him \$5,000 during 1944?

Mr. KING. He wanted to buy something, and for \$7,500, and then I understand that he sold it back for a profit; how much, I don't know.

Mr. MOSER. Did he pay you back?

Mr. KING. Yes, sir.

Mr. Moser. When did he pay you back, do you remember?

Mr. King. He paid that to Mr. Miles. Mr. Miles loaned it to him. I was not even there, and he paid that back to Mr. Miles.

Mr. Moser. How soon after the loan was made?

Mr. King. I guess it must have been a year, as far as I can recollect.

Senator Tobey. Was it real estate that he was buying?

Mr. King. What?

Mr. Moser. Was it real estate he was buying?

Senator Tobey. Was it real estate he was buying?

Mr. King. Yes, sir; Senator. That is what he told me. What he bought, I don't know, but I know he told me that he bought it and made a profit on it, whatever it was.

Mr. Moser. All right.

Was he the head of the vice squad?

Mr. King. What?

Mr. Moser. Was he the head of the vice squad in Baltimore?

Mr. King. I don't think then. I think he was in the eastern district.

Mr. Moser. He was the former head of the vice squad?

Mr. King. He was at one time.

Mr. Moser. Before this loan was made?

Mr. King. Well, I think he wasn't on the vice squad when I loaned him—

Mr. Moser. Do you own the property at 2806 Manhattan Avenue?

Mr. King. Yes, sir.

Mr. Moser. You do? Do you use that property yourself?

Mr. King. Once in a while.

Mr. Moser. What do you use it for?

Mr. King. Just to go out there and sleep when it gets hot.

Mr. Moser. Where is it?

Mr. King. Right in back of Pimlico.

Mr. Moser. A summer place?

Mr. King. No, sir.

Mr. Moser. A summer place?

Mr. King. No summer place; regular home.

Mr. Moser. How long have you owned it?

Mr. King. Thirty years.

Mr. Moser. And you still own it?

Mr. King. Yes, sir.

Mr. Moser. And it was worth what, about \$8,000?

Mr. King. I suppose so. Of course, I think it has depreciated a little there—depreciated a little out there, I don't know.

Mr. Moser. Has it ever been raided?

Mr. King. What?

Mr. Moser. Has it ever been raided by the police?

Mr. King. Twice.

Mr. Moser. Twice raided by the police?

Mr. King. Yes.

Mr. Moser. Do you want to tell us when?

Mr. King. You ought to have the date there; I could not tell you the date and day.

Mr. Moser. Would it help any if I told you the first time was November 16, 1945?

Mr. King. I know it was November, because I was just coming in from gunning.

Mr. MOSER. Who was there at the time?

Mr. KING. I can't answer that.

Mr. MOSER. You mean you don't remember?

Mr. KING. I do remember, but I just refuse to answer it.

Mr. MOSER. And you had been gunning?

Mr. KING. What?

Mr. MOSER. You had just been gunning?

Mr. KING. I just come out of the fields, yes.

Mr. MOSER. And were the other people there gunning, too?

Mr. KING. I don't know what they were doing.

Mr. MOSER. You do not know what they were doing there?

Mr. KING. No.

Mr. MOSER. How many were there?

Mr. KING. I couldn't tell you.

Mr. MOSER. You mean because you do not know?

Mr. KING. I don't know is right.

Mr. MOSER. Can you tell us roughly whether there were 2 or 50?

Mr. KING. I just refuse to answer that.

Mr. MOSER. You refuse to answer that?

Mr. KING. Yes, sir.

Mr. MOSER. Was Orkey Davidson there?

Mr. KING. I just refuse to answer.

Mr. MOSER. Is his name Harry O. Davidson?

Mr. KING. I just refuse to answer.

Mr. MOSER. Do you know Harry O. Davidson?

Mr. KING. Only when I see him; yes, sir.

Mr. MOSER. You do?

Mr. KING. Yes, sir.

Mr. MOSER. Do you know him well?

Mr. KING. Well, just know him, that is all, just like anybody else.

Mr. MOSER. Well, some people know him better than others. How well do you know him?

Mr. KING. I know him from being around a long time.

Mr. MOSER. You're good friends?

Mr. KING. I would not say that either.

Mr. MOSER. Is he a business associate of yours?

Mr. KING. No, sir.

Mr. MOSER. Do you have any business dealings with him?

Mr. KING. None whatever.

Mr. MOSER. Did you have any back in 1945?

Mr. KING. What?

Mr. MOSER. Did you have any back in 1945, any business dealings with him?

Mr. KING. Who, what? I didn't get you.

Mr. MOSER. The question is whether back in 1945 you had any business dealings with Orkey Davidson.

Mr. KING. I refuse to answer that question.

Mr. MOSER. Have you ever had any business dealings with him?

Mr. KING. I refuse to answer that.

Mr. MOSER. Do you know Thomas J. Quinn?

Mr. KING. Yes, I know him.

Mr. MOSER. How well do you know him?

Mr. KING. Well, I know him, that is all.

Mr. MOSER. Was he gunning with you on November 16, 1945?

Mr. KING. He don't gun.

Mr. MOSER. He does not gun?

Mr. KING. No, sir.

Mr. MOSER. How about Harry O. Davidson, does he gun?

Mr. KING. Once in a while, yes.

Mr. MOSER. Was he gunning with you on November 16, 1945?

Mr. KING. I don't think there was anybody but me.

Mr. MOSER. You were the only one gunning?

Mr. KING. Yes, sir.

Mr. MOSER. Was Thomas J. Quinn at your house at 2806 Manhattan Avenue on November 16, 1945?

Mr. KING. To tell you the truth, I can't remember.

Mr. MOSER. You do not remember?

Mr. KING. No.

Mr. MOSER. You remember the raid, though, do you not?

Mr. KING. Yes, sir.

Mr. MOSER. What happened at the raid?

Mr. KING. What? I just refuse to answer that, too.

Mr. MOSER. You remember who was there at the time of the raid?

Mr. KING. I refuse to answer that.

Mr. MOSER. Do you remember?

Mr. KING. I just refuse to answer.

Mr. MOSER. You refuse to answer whether you remember? Do you remember who was there?

Mr. KING. Truthfully, no.

Mr. MOSER. Has Orkey Davidson ever been a business associate of yours?

Mr. KING. I refuse to answer that, too.

Mr. MOSER. You do say he is not a business associate of yours now. When did he stop being a business associate of yours?

Mr. KING. I refuse to answer that question.

Mr. MOSER. Do you remember a raid at 2806 Manhattan Avenue, Baltimore, in April of 1949?

Mr. KING. Yes.

Mr. MOSER. You do remember a raid?

Mr. KING. Yes.

Mr. MOSER. What happened at that raid?

Mr. KING. I just refuse to answer that.

Mr. MOSER. You refuse to tell us anything about that raid?

Mr. KING. Yes.

Mr. MOSER. Was Andrew Kotschenweuther there?

Mr. KING. Who?

Mr. MOSER. He knows, Kotschenweuther.

Mr. KING. Kotschenweuther? He was there.

Mr. MOSER. He was there?

Mr. KING. Yes, sir.

Mr. MOSER. Was Archibald Sowers there?

Mr. KING. Yes, sir.

Mr. MOSER. And you were there?

Mr. KING. Yes, sir.

Mr. MOSER. Were you the only three there?

Mr. KING. That is all.

Mr. MOSER. Just you three?

Mr. KING. Yes, sir.

Mr. MOSER. What were you doing?

Mr. KING. I refuse to answer.

Mr. MOSER. Was anybody arrested in connection with that raid?

Mr. KING. Yes, sir.

Mr. MOSER. Who was arrested?

Mr. KING. Kotschenweuther, Sowers, and I.

Mr. MOSER. You were arrested?

Mr. KING. Yes, sir.

Mr. MOSER. Was anybody convicted?

Mr. KING. Mr. Kotschenweuther.

Mr. MOSER. Kotschenweuther was convicted?

Mr. KING. Right.

Mr. MOSER. Of what?

Mr. KING. Bookmaking, they say.

Mr. MOSER. Bookmaking?

Mr. KING. Yes, sir.

Mr. MOSER. Was there any bookmaking going on there?

Mr. KING. They found nothing.

Mr. MOSER. They found nothing?

Mr. KING. No.

Mr. MOSER. How many telephones do you have there?

Mr. KING. Excuse me for just a minute.

(Conference with counsel.)

Mr. KING. So far as I was concerned there was no bookmaking at—

Mr. MOSER. There was no bookmaking?

Mr. KING. That is right.

Mr. MOSER. You say as far as you were concerned.

Mr. KING. That is right.

Mr. MOSER. As far as you know were there any bookmaking activities, as far as you know?

Mr. KING. I refuse to answer that, too.

Mr. MOSER. In other words, you were not involved in bookmaking, but you knew—

Mr. KING. I refuse to answer that.

Mr. MOSER. How many telephones did you have in that place on April 4, 1949?

Mr. KING. Two.

Mr. MOSER. You had two telephones?

Mr. KING. Yes, sir.

Mr. MOSER. Did you know that the police seized four telephones?

Mr. KING. No such a thing.

Mr. MOSER. No such thing?

Mr. KING. No such a thing.

Mr. MOSER. It is not true?

Mr. KING. That is not so.

Mr. MOSER. Did they find any payoff slips?

Mr. KING. Not that I recollect.

Mr. MOSER. You do not remember any payoff slips?

Mr. KING. In fact, there was no payoff slips.

Mr. MOSER. I see. Do you know that the police seized \$16,000 face amount of payoff slips?

Mr. KING. What?

MR. MOSER. Do you know that the police seized \$16,000 worth of face amount payoff slips?

MR. KING. I don't know nothing about that.

MR. MOSER. You do not know that?

MR. KING. No, sir.

MR. MOSER. You do not know that they didn't, though, do you?

MR. KING. What?

MR. MOSER. You do not know that they didn't?

MR. KING. I don't know—I know that they couldn't if there was none there.

MR. MOSER. You are sure there were none there?

MR. KING. Sure I'm sure there were none there.

MR. MOSER. The police report reveals they were seized.

MR. KING. What?

MR. MOSER. The police report reveals they were seized.

MR. GREENFELD. He is a little hard of hearing.

MR. MOSER. The police report reveals that those reports were seized. Do you claim that is wrong?

MR. KING. Yes, sir; that is wrong.

MR. MOSER. Did the police also seize a high-card gambling board?

MR. KING. Yes, old Fairbanks table layout, that was moth-eaten, and must be 60 years old.

MR. MOSER. Was it yours?

MR. KING. I can't answer that.

MR. MOSER. You mean you do not remember?

MR. KING. Sure I remember; I just refuse to answer.

MR. MOSER. Did they find six crap cloths?

MR. KING. Six?

MR. MOSER. Yes.

MR. KING. I refuse to answer that.

MR. MOSER. Did they seize any crap cloths?

MR. KING. What?

MR. MOSER. Did they seize any crap cloths?

MR. KING. I refuse to answer.

MR. MOSER. Did you have any crap cloths there?

MR. KING. I refuse to answer that, too.

SENATOR TOBEY. What are crap cloths?

MR. KING. Senator, that is with a layout painted on it.

MR. MOSER. Did they find two boxes containing 2,475 pairs of dice?

MR. KING. No, they found about 30 boxes, a hundred in each box, that was a collection of over 30 years.

SENATOR TOBEY. What you were running was a museum there?

MR. KING. What? We tried to collect them as a hobby, that is all, Senator. [Laughter.]

MR. MOSER. Did they find any arms, guns?

MR. KING. Right; they found plenty of them, shotguns—

MR. MOSER. Tell us about the guns.

MR. KING. What?

MR. MOSER. Tell us about the guns.

MR. KING. Just shotguns that you shot birds, rabbits, or ducks.

MR. MOSER. What gage?

MR. KING. Twelve.

MR. MOSER. Twelve-gage shotgun?

Mr. KING. Yes; and they found an old .45 pistol there that was left to me by an uncle, and it is still out there.

Mr. MOSER. Yes. You mean they returned it after the seizure?

Mr. KING. Oh, yes.

Mr. MOSER. Did they find any other guns?

Mr. KING. Yes, they found a few other guns.

Mr. MOSER. What did they find?

Mr. KING. They found two or three automatics, and that old .45, as I told you. I mean that old frontier thing, whatever it is.

Mr. MOSER. Two or three automatics?

Mr. KING. Yes, sir.

Mr. MOSER. What kind of automatics?

Mr. KING. Colt automatics.

Mr. MOSER. Forty-fives?

Mr. KING. Yes; target-practice Colts.

Mr. MOSER. Two or three .45-caliber Colts?

Mr. KING. Yes, sir; that is right.

Mr. MOSER. Did they find any .38-caliber pistols?

Mr. KING. Yes, sir; they might have found one of them, too.

Mr. MOSER. More than one?

Mr. KING. One is all I know.

Mr. MOSER. But they might have found more?

Mr. KING. I don't think so. I don't see how they could, Mr. Moser, if it wasn't there, if there was only one. They are still out there out in the old house.

Mr. MOSER. You mean they returned them to you?

Mr. KING. Yes, sir.

Mr. MOSER. Did you have a sawed-off shotgun there?

Mr. KING. Yes; and that was registered with the Government.

Mr. MOSER. What gage was that?

Mr. KING. I think that was 20.

Mr. MOSER. Twenty gage? Why do you have sawed-off shotguns there?

Mr. KING. I don't know. I used to have it laying around the house; I don't know.

Mr. MOSER. Just in case of trouble, I suppose?

Mr. KING. I never had no trouble, never in my life; never had one argument or never was arrested for no arguments.

Mr. MOSER. Never arrested?

Mr. KING. Not for no arguments.

Mr. MOSER. For arguments?

Mr. KING. Yes.

Mr. MOSER. What is a dice loading machine? Would you explain that?

Mr. KING. That isn't so.

Mr. GREENFELD. I don't know whether he knows what a dice loading machine is.

Mr. KING. I don't know nothing about that.

Mr. MOSER. You have never heard of it?

Mr. KING. I heard of it, but never had no use for one.

Mr. MOSER. You never have seen a dice-loading machine?

Mr. KING. No, sir; I have not.

Mr. MOSER. You have never seen one?

Mr. KING. I don't think so; no, sir.

Mr. MOSER. There was not any in your house that night of the raid?

Mr. KING. There was none in my house.

Mr. MOSER. Do you deny that the police found three dice loading machines in your house?

Mr. KING. Certainly I deny it.

Mr. MOSER. You deny it?

Mr. KING. Yes sir; I deny it emphatically, emphatically deny it.

Mr. MOSER. How do you account for the fact that the police reports indicate that three of them were found there?

Mr. GREENFELD. I don't know whether he knows what a dice loading machine is or not, Mr. Moser.

Mr. MOSER. What is a dice loading machine?

Mr. KING. I don't know; I never had any.

Mr. MOSER. You never heard of a dice loading machine?

Mr. KING. I have heard of them, sure.

Mr. MOSER. How do they work?

Mr. KING. I couldn't tell you; I don't know.

Mr. MOSER. What were these machines that the police thought were dice loading machines?

Mr. KING. What?

Mr. MOSER. What were these machines that the police thought were dice loading machines?

Mr. KING. I don't have the slightest idea.

Mr. MOSER. You do not have any idea?

Mr. KING. No, sir.

Mr. MOSER. You claim the police report is wrong?

Mr. KING. Yes, sir.

Mr. MOSER. How do you account for its being wrong?

Mr. KING. What?

Mr. MOSER. How do you account for their making that report when you claim it is wrong?

Mr. KING. Maybe he made a mistake.

Mr. MOSER. And maybe he did not, too.

Mr. KING. Maybe he didn't, is right, but I know that he did.

Mr. MOSER. That is right.

Mr. KING. I know he did.

Mr. MOSER. Have you ever been convicted of a crime?

Mr. KING. Yes, sir.

Mr. MOSER. What was that?

Mr. KING. Gambling.

Mr. MOSER. What kind of gambling?

Mr. KING. Manager of a crap game in St. Marys County. I was there four times, once every 2 weeks.

Mr. MOSER. Once every 2 weeks?

Mr. KING. Once every 2 weeks, and I paid the cut—it was just a head and head crap game like everybody else played.

Mr. MOSER. Did you use any of these 30,000 pairs of dice?

Mr. KING. I never used—they had their own dice there.

Mr. MOSER. They had their own dice?

Mr. KING. Yes, sir.

Mr. MOSER. And you did that for a period of 2 months?

Mr. KING. Four times, 2 months, I would say.

Mr. MOSER. That was 2 months?

Mr. KING. Twice a month.

Mr. MOSER. And none of the dice loading machines were used in connection with that?

Mr. KING. No, sir. I didn't have nothing to do with the dice. He had the dice.

Mr. MOSER. Where was this craps game conducted?

Mr. KING. At the St. Marys Inn in St. Marys County.

Mr. MOSER. Was that arrest in October 1950?

Mr. KING. I don't know. I left there in the spring and came back after 3 or 4 months, and a State policeman served me with a warrant, so I said, "What's this for?" And he says, "Down at St. Marys County." I said, "Why? I was only there four times."

Mr. MOSER. Four times?

Mr. KING. Yes, sir. And on the advice of my lawyer, the lawyer says, "You can take it to court, and we are a sure thing to beat it," so I said, "I don't know nothing about beating it." So he says to me, he says, "You will have to run down there four or five times," he said, "and you will go over and pay \$125 fine, and have it over with," so I said if that is what he thinks, that we will do it.

Mr. MOSER. So you were convicted and fined \$125?

Mr. KING. It amounted to \$130, Mr. Moser.

Mr. MOSER. Where you ever arrested for anything else?

Mr. KING. What?

Mr. MOSER. Were you ever arrested for anything else?

Mr. KING. I don't know—what do you mean by anything else?

Mr. MOSER. Any other crime?

Mr. KING. I refuse to answer that.

Mr. MOSER. You refuse to answer whether you were arrested for a crime?

Mr. KING. Yes, sir.

Mr. MOSER. You understand that an arrest is a matter of record, do you not?

Mr. KING. Well, that is all right.

Mr. MOSER. It is a public document.

Mr. KING. I just refuse to answer.

Mr. GREENFELD. Don't you think, Mr. Moser, the question ought to be arrested and convicted?

Mr. MOSER. I have asked the question of whether he was arrested, and I think that is the correct question.

Do you refuse to answer?

Mr. KING. What?

Mr. MOSER. Do you refuse to answer whether you were arrested? (There was a conference between the witness and his counsel.)

Mr. KING. Yes. I was convicted down to a place called Indian Head.

Mr. MOSER. Indian Head?

Mr. KING. Yes.

Mr. MOSER. When was that, approximately?

Mr. KING. Oh, that has been 12, 14 years ago, I guess.

Mr. MOSER. Twelve or 14 years ago?

Mr. KING. Yes, sir.

Mr. MOSER. 1938, approximately?

Mr. KING. Well, it might have been, I am not sure.

Mr. MOSER. What were you arrested and convicted for?

Mr. KING. Maintaining and setting up a gambling table.

Mr. Moser. Maintaining and setting up a gambling table?

Mr. King. Yes, sir.

Mr. Moser. Where did you do that?

Mr. King. What?

Mr. Moser. Where was that, where was the maintaining and setting up, do you know?

Mr. King. That was down to Indian Head.

Mr. Moser. Indian Head? Is that in Maryland, too?

Mr. King. That is in southern Maryland.

Mr. Moser. And at whose establishment?

Mr. King. Mr. Moser, I really don't know.

Mr. Moser. In Anne Arundel County?

Mr. King. No.

Mr. Moser. In Charles County?

Mr. King. Charles County is right.

Mr. Moser. That was in 1938?

Mr. King. Something like that.

Mr. Moser. Have you ever been arrested for anything else, any other crime?

Mr. King. Not as I know of.

Mr. Moser. Were you arrested on November 16, 1945, on a charge—

Mr. King. I answered that one.

Mr. Moser. That was on the charge of bookmaking?

Mr. King. I answered that.

Mr. Moser. You were arrested and dismissed?

Mr. King. Yes, sir; I answered that.

Mr. Moser. What is Rick's Raft?

Mr. King. That is a cabaret in Ocean City.

Mr. Moser. Cabaret in Ocean City?

Mr. King. Yes, sir.

Mr. Moser. Do you have any interest in that?

Mr. King. Yes, sir.

Mr. Moser. What is the business of that cabaret?

Mr. King. I refuse to answer that; I can't answer it.

Mr. Moser. It is a cabaret, is it not? You said it is a cabaret?

Mr. King. Yes, sir.

Mr. Moser. Do they serve meals there?

Mr. King. Yes, sir.

Mr. Moser. Do they have dancing there?

Mr. King. Yes, sir.

Mr. Moser. Do they serve drinks there?

Mr. King. Yes, sir.

Mr. Moser. Do they have a license?

Mr. King. Yes, sir.

Mr. Moser. Do they do anything else there?

Mr. King. I refuse to answer that.

Senator TOBEY. What do you mean by anything else? [Laughter.]

Mr. Moser. Do they have a news ticker of any kind installed?

Mr. King. What?

Mr. Moser. Do they have a news ticker of any kind installed there?

Mr. King. I refuse to answer.

Mr. Moser. You refuse to answer?

Mr. King. Yes, sir.

Mr. MOSER. Do they have a bookmaking establishment there?

Mr. KING. I refuse to answer that, too.

Mr. MOSER. Do they have a ticker there today?

Mr. KING. What?

Mr. MOSER. Do they have a ticker there today?

Mr. KING. I still refuse to answer; I don't know. I think it is closed.

Mr. MOSER. You think it is closed?

Mr. KING. Yes, sir; it will open on the 12th.

Mr. MOSER. Will open on the 12th of July?

Mr. KING. That is right; yes, sir.

Mr. MOSER. And will they have a ticker there then?

Mr. KING. Well—I just refuse to answer; I don't know what they are going to have, because I don't know nothing—I have nothing to do with it.

Mr. MOSER. You own an interest in it, do you?

Mr. KING. I got a mortgage on it.

Mr. MOSER. You have got a mortgage on it?

Mr. KING. Yes, sir.

Mr. MOSER. How much of a mortgage?

Mr. KING. \$26,000.

Mr. MOSER. \$26,000.

Mr. KING. That is right.

Mr. MOSER. When did you lend that money that was back of that mortgage?

Mr. KING. When they built it, about 4 years back, or close to five, I guess.

Mr. MOSER. 1945, approximately?

Mr. KING. What is that?

Mr. MOSER. I said 1945, approximately?

Mr. KING. I said 4 or 5 years back; I don't know.

Mr. MOSER. What is Pen Mar?

Mr. KING. What?

Mr. MOSER. What is Pen Mar?

Mr. KING. Pen Mar?

Mr. GREENFELD. That is a city.

Mr. MOSER. Pen Mar, Md., that is a city. Do you own any establishment there?

Mr. KING. No, sir.

Mr. MOSER. Do you have any interest in any place there?

Mr. KING. I refuse to answer that, too.

Mr. MOSER. Well, you have not refused to answer with respect to your interest in Rick's Raft.

Mr. KING. I can refuse this.

Mr. MOSER. I see. So you refuse to answer whether you own an interest in an establishment at Pen Mar; is that correct?

Mr. KING. I decline to answer it, or refuse to answer.

Mr. MOSER. Is there any establishment at Pen Mar that has a ticker in it in which you have an interest?

Mr. KING. Not me.

Mr. MOSER. Not you?

Mr. KING. No, sir.

Mr. MOSER. Is there any ticker there?

Mr. KING. I can't answer that.

Mr. MOSER. Is there any ticker—Why can't you answer?

Mr. KING. Because I just don't feel like answering it.

Mr. MOSER. You just do not feel like answering it?

Mr. KING. That is right; I refuse to answer it, in other words.

Mr. MOSER. You refuse to answer it?

Mr. KING. That is right.

Mr. MOSER. Now, a while ago I was asking you about Rick's Raft—

Mr. KING. Rick's Raft.

Mr. MOSER (continuing). And you said that you have an interest in that place, and you refused to answer whether or not it had a ticker in it; is that correct?

Mr. KING. That is right.

Mr. MOSER. And you refused to answer whether or not it had a bookmaking establishment; is that correct?

Mr. KING. Right.

Mr. MOSER. Have you reported all of your income from that source to the Federal Government?

Mr. KING. Yes, sir.

Mr. MOSER. You have?

Mr. KING. Yes, sir.

Mr. MOSER. Reported all of it?

Mr. KING. Absolutely.

Mr. MOSER. You say you refuse to answer because you are afraid you will incriminate yourself. Is it because you are afraid of incriminating yourself with respect to a State crime?

Mr. KING. Yes; it may be both; I just refuse.

Mr. MOSER. Wait a minute; you said it may be both Federal and State?

Mr. KING. I refuse to answer that question.

Mr. MOSER. You refuse to answer whether the crime you have in mind is Federal or State?

Mr. KING. I don't know. I just refuse to answer the question. I don't know whether it is Federal or State or what it is.

Mr. MOSER. You said that you had paid all your income taxes, so obviously you have no fear of Federal incrimination; isn't that correct?

Mr. GREENFELD. That is not exactly so, Mr. Moser.

(Witness confers with counsel.)

Mr. KING. I just refuse to answer, Mr. Moser.

Mr. MOSER. You refuse to answer as to whether the crime you have in mind is Federal or State?

Mr. KING. It may incriminate me in some way, that is what you wanted me to say; I don't know.

Mr. MOSER. I want to show the nature of what the crime is, not exactly—is it a Federal or a State crime? It is important to know. Will you tell me whether the crime you have in mind is a Federal crime.

(Witness confers with counsel.)

Mr. KING. It may be; I just refuse; I just answer that.

Mr. MOSER. You say you do not know?

Mr. KING. I don't say I don't know. I just say I refuse to answer.

Mr. MOSER. You refuse to tell us what kind of a crime it is, Federal or State?

Mr. KING. That is right.

Mr. MOSER. You refuse to answer that question?

Mr. GREENFELD. That is what he said.

Mr. MOSER. All right.

You said you had loaned some money to R. H. Amrein?

Mr. KING. That is right.

Mr. MOSER. Did you loan any money to any other members of any police force?

Mr. KING. Never a quarter.

Mr. MOSER. Did you ever give them any money?

Mr. KING. Never a dime.

Mr. MOSER. Did you ever pay them any money?

Mr. KING. Never paid them any money.

Mr. MOSER. How does it happen that in this raid in 1949, that Kotschenweuther was the only one convicted?

Mr. KING. Because there was no evidence. The only reason I got Kotschenweuther to plead guilty to that mess, I don't know, they wanted a conviction, and they wanted this and they wanted that. They had nothing to go on, so I thought the easiest way out would be that way to plead guilty.

Mr. MOSER. The easiest way out was to take a rap?

Mr. KING. That is right. He didn't take a rap. There was nothing to take a rap for.

Mr. MOSER. He was convicted, was he not?

Mr. KING. Because he pleaded guilty. I was convicted, too, in St. Marys County, and the only reason I pleaded guilty was because they said it was the easiest way out.

Mr. MOSER. How much was Kotschenweuther fined?

Mr. KING. \$100.

Mr. MOSER. How much? \$100?

Mr. KING. \$100.

Mr. MOSER. Who paid the \$100?

Mr. KING. I don't know.

Mr. MOSER. You did not?

Mr. KING. I should say I didn't.

Mr. MOSER. Did your lawyer?

Mr. KING. Not as I know of.

Mr. MOSER. Who is J. J. Maddock?

Mr. KING. Well, I know him from around the race track.

Mr. MOSER. From around the race track?

Mr. KING. Yes.

Mr. MOSER. You have known him there?

Mr. KING. Yes, sir.

Mr. MOSER. Have you ever had any business dealings with him?

Mr. KING. Well, I refuse to answer that, too.

Mr. MOSER. Have you ever had any dealings with him?

Mr. KING. I refuse to answer that, too.

Mr. MOSER. Have you ever had any dealings of a nature which would not incriminate you, dealings with him?

Mr. KING. I refuse to answer.

Mr. MOSER. You refuse to answer whether you had any dealings with him of a nature that would not incriminate you?

Mr. KING. I refuse to answer.

Mr. MOSER. Have you any business activities, the revealing of which would not incriminate you?

Mr. KING. I refuse to answer that, too.

Mr. MOSER. You understand that I am talking about business activities which would not incriminate you?

Mr. KING. I know what you are talking about.

Mr. MOSER. And you refuse to answer?

Mr. KING. Yes, sir.

Mr. MOSER. Do you have any business dealings with J. J. Maddock at the present time?

Mr. KING. I refuse to answer that, too.

Mr. MOSER. What is his business?

Mr. KING. Construction man, from what I hear. I don't know.

Mr. MOSER. A construction man?

Mr. KING. Yes.

Mr. MOSER. Yes?

Mr. KING. A builder or something.

Mr. MOSER. But you do not know what his business is?

Mr. KING. No.

Mr. MOSER. You do not know what his business is?

Mr. KING. They say he is a builder; I couldn't swear he was a builder.

Mr. MOSER. You have never had any dealings with him?

Mr. KING. Not in the building business. I have had no dealings in no way with him.

Mr. MOSER. But you do know him?

Mr. KING. Yes; I told you I know him.

Mr. MOSER. Do you know him quite well?

Mr. KING. I wouldn't say quite well either.

Mr. MOSER. How long have you known him?

Mr. KING. Oh, 4 or 5 years.

Mr. MOSER. Only 4 or 5 years?

Mr. KING. Yes, sir.

Mr. MOSER. And you do not know what his business is?

Mr. KING. I refuse to answer that.

Mr. MOSER. Do you know who Dude Horn is?

Mr. KING. What?

Mr. MOSER. Do you know who Dude Horn is?

Mr. KING. I refuse to answer that.

Mr. MOSER. Do you know him?

Mr. KING. I refuse—Yes; I know him.

Mr. MOSER. You know him?

Mr. KING. Yes; I know him.

Mr. MOSER. How well do you know him?

Mr. KING. I refuse to answer that.

Mr. MOSER. Have you known him long?

Mr. KING. What?

Mr. MOSER. Have you known him long?

Mr. KING. Well, I guess 6, 7 years, maybe.

Mr. MOSER. Six or seven years?

Mr. KING. Yes, sir.

Mr. MOSER. What is his business?

Mr. KING. I refuse to answer.

Mr. MOSER. Do you know what his business is?

Mr. KING. I refuse to answer.

Mr. MOSER. Senator Tobey, would you mind instructing this witness to answer all of the questions that we have asked him which he has refused to answer?

Senator TOBEY. You have heard all of the questions and answers which have been asked you, all these questions; do you recall that? You heard all these questions?

Mr. KING. Yes, sir; I heard them.

Senator TOBEY. And to sum up, your answer is that you refuse to answer on the ground it might tend to incriminate you with respect to all these questions you refuse to answer?

Mr. KING. That is right, Senator.

Senator TOBEY. We now order you to answer them.

Mr. KING. What?

Senator TOBEY. We now order you to answer the questions.

Mr. KING. I still refuse.

Senator TOBEY. All right; thank you.

Mr. MOSER. You have understood all the questions, have you?

Mr. KING. Yes, sir.

Mr. MOSER. And you understand that you can be held guilty of contempt if they are beyond your privilege, do you?

Mr. KING. Well, that is all right.

Mr. MOSER. You do not mind being held in contempt?

Mr. KING. Sure I mind being held in contempt.

Mr. MOSER. Do you know Sam Morgan?

Mr. KING. I refuse to answer that, too. Yes; I know him when I see him.

Mr. MOSER. Have you known him long?

Mr. KING. No, sir.

Mr. MOSER. Do you know Howard Ortel?

Mr. KING. Know him, too.

Mr. MOSER. What is his business?

Mr. KING. I don't know. He has got a farm, I hear.

Mr. MOSER. Has he got any other business?

Mr. KING. I couldn't tell you; I don't know.

Mr. MOSER. You do not know?

Mr. KING. No. I just refuse to answer that.

Mr. MOSER. Wait a minute; which is it?

Mr. KING. What?

Mr. MOSER. Is your answer that you don't know whether he has got any other business or that you refuse to answer?

Mr. KING. I just refuse to answer.

Mr. MOSER. Patrick J. Clarke; do you know him?

Mr. KING. Yes; I know him, too.

Mr. MOSER. How well do you know him?

Mr. KING. I refuse to answer that, too. I know him about 2 years.

Mr. MOSER. About 2 years?

Mr. KING. Yes.

Mr. MOSER. What is his business?

Mr. KING. I don't know. I just refuse to answer that, too.

Mr. MOSER. Which is it?

Mr. KING. Just refuse to answer, Mr. Moser.

Mr. MOSER. Well, can't you say whether you know or not? Do you know what his business is?

Mr. KING. I refuse to answer.

Mr. MOSER. A minute ago you said you do not know. Do you know or don't you know?

Mr. KING. I just refuse to answer.

Mr. MOSER. Senator Tobey, would you instruct him to answer those questions?

Senator TOBEY. The same order applies as before. You are instructed to answer these questions. You are ordered by the acting chairman to answer these questions.

Mr. KING. Yes, sir.

Senator TOBEY. What is your reply?

Mr. KING. I refuse to answer.

Mr. MOSER. I think that is all on that.

Our next witness is Mr. Sapperstein.

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER. Will you sit at that chair at the end of the table?

Senator HUNT. Would you stand, please. Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER. Mr. Sapperstein, what is your full name?

TESTIMONY OF IKE SAPPERSTEIN, BALTIMORE, MD.

Mr. SAPPERSTEIN. Ike Sapperstein.

Mr. MOSER. Ike Sapperstein?

Mr. SAPPERSTEIN. S-a-p-p-e-r-s-t-e-i-n.

Mr. MOSER. What is your address?

Mr. SAPPERSTEIN. 4119 Boarman Avenue.

Mr. MOSER. Is that your residence address?

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER. Do you have a business address?

Mr. SAPPERSTEIN. No, sir.

Mr. MOSER. No business address?

Mr. SAPPERSTEIN. Not right now; not at the present time.

Mr. MOSER. When did you last have a business address?

Mr. SAPPERSTEIN. It's been about a year or so ago, maybe a little over.

Mr. MOSER. A little over a year?

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER. You mean it was about June 1950?

Mr. SAPPERSTEIN. I would judge around that time.

Mr. MOSER. And you gave up your business address at that time?

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER. Where was that?

Mr. SAPPERSTEIN. In the 1200 block of Charles Street.

Mr. MOSER. Baltimore?

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER. What was the nature of that business?

Mr. SAPPERSTEIN. Dress shop.

Mr. MOSER. Dress shop?

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER. How long had you been in the dress-shop business?

Mr. SAPPERSTEIN. I had been off and on for the past maybe 7 or 8 years.

Mr. Moser. What did you give the business up for?

Mr. Sapperstein. Could not make a go out of it.

Mr. Moser. No profit?

Mr. Sapperstein. No, sir.

Mr. Moser. What business did you return to then?

Mr. Sapperstein. I have not done nothing since then.

Mr. Moser. No business at all?

Mr. Sapperstein. No, sir.

Mr. Moser. What is your source of income?

Mr. Sapperstein. My source of income?

Mr. Moser. Yes.

Mr. Sapperstein. Now?

Mr. Moser. Yes.

Mr. Sapperstein. I bet on horses.

Mr. Moser. You bet on horses?

Mr. Sapperstein. Yes, sir.

Mr. Moser. You bet on horses by yourself?

Mr. Sapperstein. Yes, sir.

Mr. Moser. Where do you do the betting?

Mr. Sapperstein. Race tracks.

Mr. Moser. Do you always win?

Mr. Sapperstein. No, sir.

Mr. Moser. How often do you bet on horses?

Mr. Sapperstein. I would say almost every day.

Mr. Moser. Every day? How much do you make a year betting on horses?

Mr. Sapperstein. I couldn't answer that, sir.

Mr. Moser. Just roughly?

Mr. Sapperstein. I couldn't answer that, sir.

Mr. Moser. Did you bet on horses when you were running a dress shop?

Mr. Sapperstein. Yes, sir.

Mr. Moser. How long have you been betting on the horses regularly?

Mr. Sapperstein. About 20 years, I guess.

Mr. Moser. Over the 20-year period has it always been profitable in the long run?

Mr. Sapperstein. It has been with me, sir.

Mr. Moser. It has?

Mr. Sapperstein. It has been with me.

Mr. Moser. How much have you made a year, approximately, betting on horses?

Mr. Sapperstein. I couldn't tell you, sir.

Mr. Moser. Do you get any information before you bet on horses?

Mr. Sapperstein. Yes, sir.

Mr. Moser. What kind of information?

Mr. Sapperstein. I think it is good. I mean, it is sure of a profit.

Mr. Moser. What kind of information?

Mr. Sapperstein. Well, I get tips. I got a pretty good opinion, I think, of my own about it, and I get some pretty good advice.

Mr. Moser. You get good advice?

Mr. Sapperstein. Yes, sir.

Mr. Moser. Where do you get the advice, from what kind of people?

Mr. Sapperstein. Different sources.

Mr. MOSER. Do you get it by telephone?

Mr. SAPPERSTEIN. No, sir.

Mr. MOSER. Do you get it on a ticker service?

Mr. SAPPERSTEIN. No, sir.

Mr. MOSER. How do you get it?

Mr. SAPPERSTEIN. At the race track.

Mr. MOSER. At the race track?

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER. Just talking to people there?

Mr. SAPPERSTEIN. People that I know.

Mr. MOSER. Do you know Nig Rosen?

Mr. SAPPERSTEIN. I know of him; yes, sir.

Mr. MOSER. Do you know him well?

Mr. SAPPERSTEIN. Not too well. I know him.

Mr. MOSER. Where does he live?

Mr. SAPPERSTEIN. I don't know, sir.

Mr. MOSER. How do you know him?

Mr. SAPPERSTEIN. What?

Mr. MOSER. How do you know him?

Mr. SAPPERSTEIN. I have met him.

Mr. MOSER. Where?

Mr. SAPPERSTEIN. All around. I met him in New York. I met him in Florida.

Mr. MOSER. In New York and Florida?

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER. In what connection did you meet him?

Mr. SAPPERSTEIN. None at all. Just I used to see him at a race track.

Mr. MOSER. Did you ever get any information from him on horses?

Mr. SAPPERSTEIN. No, sir.

Mr. MOSER. Did you ever get any bets on any dogs?

Mr. SAPPERSTEIN. No, sir.

Mr. MOSER. Except the horses that were dogs.

Who is Willie Weisberg?

Mr. SAPPERSTEIN. I think that is a friend of Nig Rosen.

Mr. MOSER. Nig Rosen?

Mr. SAPPERSTEIN. Yes.

Mr. MOSER. What is his real name? That is an alias, is it not?

Mr. SAPPERSTEIN. I don't know, sir; I couldn't answer that, sir.

Mr. MOSER. Is his name Harry Stromberg?

Mr. SAPPERSTEIN. I couldn't tell you, sir. All I know it as Rosen.

Mr. MOSER. You just never knew his real name.

Where does Rosen live; Philadelphia?

Mr. SAPPERSTEIN. I couldn't tell you, sir.

Mr. MOSER. You do not know?

Mr. SAPPERSTEIN. No, sir.

Mr. MOSER. What is his business, do you know?

Mr. SAPPERSTEIN. I couldn't tell you that, sir.

Mr. MOSER. Do you know Hymie Frankel?

Mr. SAPPERSTEIN. No, sir.

Mr. MOSER. Never heard of him?

Mr. SAPPERSTEIN. Never heard the name, sir.

Mr. MOSER. What is the Blue Mirror?

Mr. SAPPERSTEIN. Blue Mirror?

Mr. MOSER. Yes.

Mr. SAPPERSTEIN. On Charles Street, Charles and——

Mr. MOSER. What is it?

Mr. SAPPERSTEIN. It is a cocktail lounge.

Mr. MOSER. Cocktail lounge?

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER. What other business do they carry on there?

Mr. SAPPERSTEIN. Nothing.

Mr. MOSER. No book operation there?

Mr. SAPPERSTEIN. No, sir.

Mr. MOSER. Do they have any ticker in there?

Mr. SAPPERSTEIN. No, sir.

Mr. MOSER. No news ticker of any kind?

Mr. SAPPERSTEIN. No, sir.

Mr. MOSER. How often have you been there?

Mr. SAPPERSTEIN. Very often.

Mr. MOSER. What do you go there for?

Mr. SAPPERSTEIN. The fellow that owns the place is a friend of mine.

Mr. MOSER. What is his name?

Mr. SAPPERSTEIN. Aaronson.

Mr. MOSER. Spell it.

Mr. SAPPERSTEIN. A-a-r-o-n-s-o-n.

Mr. MOSER. Aaronson?

Mr. SAPPERSTEIN. That is right.

Mr. MOSER. How long has he owned the Blue Mirror?

Mr. SAPPERSTEIN. I think it is close to 2 years.

Mr. MOSER. Have you been going there regularly for 2 years?

Mr. SAPPERSTEIN. No; I would not say regularly.

Mr. MOSER. How often?

Mr. SAPPERSTEIN. When I am in town.

Mr. MOSER. What do you go there for?

Mr. SAPPERSTEIN. Nothing. It is only a case of friendship there.

Mr. MOSER. It is a cocktail lounge. You go there for a drink?

Mr. SAPPERSTEIN. Once in a while.

Mr. MOSER. Have you been all through the place?

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER. Do you know it from one end to the other?

Mr. SAPPERSTEIN. Top to bottom.

Mr. MOSER. And if there was bookmaking——

Mr. SAPPERSTEIN. I would not, sir——

Mr. MOSER. Let me finish the sentence—If there were a book parlor there you would know it?

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER. And if there was a ticker there, you would know it; is that correct?

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER. A subpoena was served on you. Did it make any reference to books and records to be furnished to the committee?

Mr. SAPPERSTEIN. Books and records; yes, sir.

Mr. MOSER. It did?

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER. Did you bring any?

Mr. SAPPERSTEIN. No, sir.

Mr. MOSER. Why not?

Mr. SAPPERSTEIN. Because I don't understand what you people will want from me, and I tried to get the advice of some attorneys, and I can't think straight, sir; I don't know.

I have my income-tax returns, I have my home. Outside of that there, I don't have anything outside of some war bonds that I have, and I don't know—anything else in regard to property or anything like that.

Mr. MOSER. Do you own your own home?

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER. You do own your home?

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER. Is there a mortgage on it?

Mr. SAPPERSTEIN. No, sir.

Mr. MOSER. Is it free and clear?

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER. How much is it worth?

Mr. SAPPERSTEIN. I think it is worth a lot of money now. When I bought it I paid \$8,200 for it.

Mr. MOSER. How many rooms, six?

Mr. SAPPERSTEIN. Six.

Mr. MOSER. Do you own any other property besides that?

Mr. SAPPERSTEIN. No, sir.

Mr. MOSER. Have you ever been convicted of a crime?

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER. Mr. Sapperstein, you say that you were in the dress business and betting on horses?

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER. Have you ever been in the numbers game?

Mr. SAPPERSTEIN. I can't answer that, sir.

Mr. MOSER. You cannot answer it?

Mr. SAPPERSTEIN. No, sir.

Mr. MOSER. You mean you do not want to answer it?

Mr. SAPPERSTEIN. That is right.

Mr. MOSER. Well, you have been very frank with us so far.

Mr. SAPPERSTEIN. And I want to be, but I just don't want to incriminate myself in any question that is liable to incriminate me here or at home. The only thing that I can tell you gentlemen that I have never had a horse room, I have never had no news service, and the only thing that I have ever had around Baltimore was the police chasing me from one place to another. I have never had anything in Baltimore where anyone can say that I have been in an office or anything else.

Mr. MOSER. Well, the police are chasing you for a reason, are they not?

Mr. SAPPERSTEIN. Well, I guess they have reasons of their own, I don't know.

Mr. MOSER. They must have some reason.

Mr. SAPPERSTEIN. They have not chased me for no gambling.

Mr. MOSER. No gambling?

Mr. SAPPERSTEIN. No, sir.

Mr. MOSER. How about the numbers? You do not want to answer about the numbers, which indicates to us you must have been engaged in that. Could that be the explanation?

Mr. SAPPERSTEIN. I cannot answer that question.

Mr. MOSER. Well, that could be the explanation for the police chasing.

Mr. SAPPERSTEIN. No, sir; I can't answer that.

Mr. MOSER. You mean you refuse to answer?

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER. Do you refuse to answer because you are afraid the Baltimore police may arrest you for some local crime?

Mr. SAPPERSTEIN. I just don't care to answer that, sir.

Mr. MOSER. Well, I think your lawyers probably told you that you are obligated to tell us something about the crime, that is, whether it is a Federal or a State crime.

Mr. SAPPERSTEIN. I don't think I have committed a crime against the Government in my life.

Mr. MOSER. The Federal Government?

Mr. SAPPERSTEIN. That is right, sir.

Mr. MOSER. Well, we do not intimate that you have.

Mr. SAPPERSTEIN. That is what you asked me, sir, about the Government, and I am telling you, sir.

Mr. MOSER. Well, you think you have committed no crime against the Federal Government?

Mr. SAPPERSTEIN. None whatsoever.

Mr. MOSER. You have reported all your income in your income-tax returns—

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER (continuing). So that the only fear that you have is a State crime; is that right?

Mr. SAPPERSTEIN. I refuse to answer.

Mr. MOSER. Well, you will say that you have no fear of incrimination for a Federal crime; is that correct?

Mr. SAPPERSTEIN. That is right, sir.

Mr. MOSER. If you have any fear of an incrimination at all, it must be with respect to a State crime.

Mr. SAPPERSTEIN. I refuse to answer your question, sir.

Mr. MOSER. Do you know who Chief Souers is?

Mr. SAPPERSTEIN. No, sir.

Mr. MOSER. Never heard of him?

Mr. SAPPERSTEIN. I have heard of him.

Mr. MOSER. But you do not know him?

Mr. SAPPERSTEIN. No, sir.

Mr. MOSER. Never had any dealings with him?

Mr. SAPPERSTEIN. No, sir.

Mr. MOSER. Do you know where he is?

Mr. SAPPERSTEIN. Wouldn't know him if he sat in the room.

Mr. MOSER. Do you know where his place of duty was?

Mr. SAPPERSTEIN. Wouldn't know him if he sat here outside of what I read in the newspapers the last few days.

Mr. MOSER. Who is Marty Sapperstein?

Mr. SAPPERSTEIN. Morty?

Mr. MOSER. Marty or Morty, I do not know which.

Mr. SAPPERSTEIN. Never heard of the name.

Mr. MOSER. Never heard of him?

Mr. SAPPERSTEIN. No, sir.

Mr. MOSER. There is a man Morty Sapperstein at 2329 Utah Place.

Mr. SAPPERSTEIN. Never heard the name, sir.

Mr. MOSER. Who is Rose Sapperstein?

Mr. SAPPERSTEIN. That is my wife.

Mr. MOSER. Your wife?

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER. And your wife lives at——

Mr. SAPPERSTEIN. 4119 Boardman Avenue.

Mr. MOSER. The same address?

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER. What is the address at 3020 Reisterstown Road?

Mr. SAPPERSTEIN. Don't know where it is, and never been there in my life; don't know what you are referring to, sir.

Mr. MOSER. What is your telephone number?

Mr. SAPPERSTEIN. Liberty 1096.

Mr. MOSER. Do you know of any other Rose Sapperstein besides your wife?

Mr. SAPPERSTEIN. There is a Rose Sapperstein, I think it is in the real-estate business.

Mr. MOSER. Do you know where, approximately?

Mr. SAPPERSTEIN. No; I don't. I wouldn't know the lady. I know she is in the phone book, and we get quite a few calls in her name.

Mr. MOSER. Have you ever made any calls to a reform school at Hagerstown, Md?

Mr. SAPPERSTEIN. No, sir.

Mr. MOSER. Do you know whether Rose has?

Mr. SAPPERSTEIN. Not Rose; no, sir.

Mr. MOSER. Have you ever laid off any bets outside of the State of Maryland?

Mr. SAPPERSTEIN. No, sir.

Mr. MOSER. Did you ever lay off any bets?

Mr. SAPPERSTEIN. I have been fooling with horses, and I mean——

Mr. MOSER. When they get a little high you lay them off?

Mr. SAPPERSTEIN. I wouldn't answer you that, sir; I can't answer you that, sir.

Mr. MOSER. I am afraid we did not get the answer to the question. I said, have you ever laid off any bets, and you said what?

Mr. SAPPERSTEIN. Laid off?

Mr. MOSER. Yes.

Mr. SAPPERSTEIN. I don't know exactly what you mean, sir. You mean, did I give someone else a—on the telephones or call long distance and gave them——

Mr. MOSER. Did you ever have a bet that was too heavy with you that you shared with anybody else?

Mr. SAPPERSTEIN. I don't book no horses, sir.

Mr. MOSER. That is different. Never laid off your own bets with anybody else?

Mr. SAPPERSTEIN. I bet on my own, yes; I have bet.

Mr. MOSER. On your own?

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER. You sometimes shared them with others?

Mr. SAPPERSTEIN. No, sir. I have no reason to share.

Mr. MOSER. Have you ever laid off any numbers that were too high for you?

Mr. SAPPERSTEIN. I refuse to answer that, sir.

Mr. MOSER. You refuse to answer? And the reason you refuse to answer is because of fear of incrimination?

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER. Is it fear of incrimination with respect to the Federal Government or any Federal offense?

Mr. SAPPERSTEIN. I can't answer that.

Mr. MOSER. Your answer is "No," is it not?

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER. I think we had better instruct the witness to answer the questions that he has refused to answer for fear of incrimination.

Senator HUNT. The acting chairman of the subcommittee directs the witness to answer the questions asked by the counsel.

Mr. SAPPERSTEIN. I think you are a Senator, sir. I think I have seen your picture in the paper, that is about the only——

Senator HUNT. I am Senator Hunt, and if you wish not to answer, why then, you should say that you refuse to answer because of self-incrimination.

Mr. SAPPERSTEIN. Thank you, sir. I refuse to answer the questions, sir.

Mr. MOSER. Because of self-incrimination?

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER. You have said that you did not want to answer certain questions on the grounds of incrimination.

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER. Will you tell me whether the crime with respect to which you fear incrimination occurred more than 10 years ago?

Mr. SAPPERSTEIN. I refuse to answer that, sir, if I am allowed to.

Mr. MOSER. You are allowed to refuse to answer any question that will incriminate you.

Mr. SAPPERSTEIN. I will refuse to answer.

Mr. MOSER. But I should point out to you in case your own counsel has not advised you, that there is a statute of limitations and after the expiration of a certain amount of time, you cannot be prosecuted. You have heard of that?

Mr. SAPPERSTEIN. I don't care to be degraded by the newspapers, and I refuse to answer that question.

Mr. MOSER. Well now, wait. You refuse to answer because you are afraid of the newspapers?

Mr. SAPPERSTEIN. If you know the newspapers, I guess you can understand. I am here—you are asking me questions, sir, that I do not think should be asked me in this investigation.

Mr. MOSER. Well, now, I am not asking you to tell anything that will incriminate you. I am trying to find out whether the incrimination that you fear is something that is so old that it would be barred by the statute of limitations.

Mr. SAPPERSTEIN. It might be barred by you, sir, but it won't be barred by the newspapers.

Mr. MOSER. But the newspapers cannot send you to jail, and they cannot——

Mr. SAPPERSTEIN. I understand that, sir, but they can do worse than send you to jail.

Mr. MOSER. But your fear must be of incrimination and not fear of publicity, do you understand that?

Mr. SAPPERSTEIN. Both.

Mr. MOSER. Do you fear incrimination for something that occurred 10 years ago?

Mr. SAPPERSTEIN. Well, I guess I can answer that. I can't explain myself on that, sir. I don't think that it has any dealings with this investigation.

Mr. MOSER. I am trying to find out whether your claim of incrimination—

Mr. SAPPERSTEIN. I can't answer that, sir. I refuse to answer that question.

Mr. MOSER. Let me finish. I am trying to find out whether your claim of incrimination is in good faith or it is merely because you do not want to answer because of publicity.

Mr. SAPPERSTEIN. It is that I have so much—I think—I do not know, I was going to say you could ask someone here—I have nothing, sir, I feel that I have nothing to fear outside of degrading myself, degrading my folks, my kids that have been around me for the past 25, 30 years, and I don't care to answer them questions.

Mr. MOSER. Because you are afraid of publicity, is that correct?

Mr. SAPPERSTEIN. That is right, sir.

Mr. MOSER. And that is the only reason?

Mr. SAPPERSTEIN. Yes, sir.

Mr. MOSER. That is the only thing you fear?

Mr. SMITH. These men are not reporters.

Mr. SAPPERSTEIN. I know, but when I walk out of here the reporters seem to know what I said.

(Discussion off the record.)

Mr. MOSER. Back on the record.

Coming back to the subject of numbers only, you refuse to answer questions—

Mr. SAPPERSTEIN. I am not in the numbers business, sir.

Mr. MOSER. Have you been in the lottery business?

Mr. SAPPERSTEIN. I am not in the lottery business, sir.

Mr. MOSER. Have you been—

Mr. SAPPERSTEIN. I am not in the business, that is all I care to answer.

Mr. MOSER. You are not in the business now, you mean?

Mr. SAPPERSTEIN. I am not in the business.

Mr. MOSER. And you refuse to answer whether you ever have been, is that correct?

Mr. SAPPERSTEIN. I refuse to answer.

Mr. MOSER. You refuse to answer on the ground that it may incriminate you: is that correct?

Mr. SAPPERSTEIN. That is correct, sir.

Mr. MOSER. And in that connection have you any fear of any Federal incrimination?

Mr. SAPPERSTEIN. No, sir.

Mr. MOSER. No; just State; is that correct?

Mr. SAPPERSTEIN. No, sir. I refuse to answer that. Senator Hunt told me that, he explained to me just a minute ago what to answer, and that is just what I am trying to state to you.

Mr. MOSER. Will you instruct him to answer the questions, and then I am through with him.

Senator HUNT. The acting chairman of the subcommittee directs the witness to answer the last questions asked by counsel, and I will ask the reporter to repeat the last question, if he will.

(The last question was read.)

Senator HUNT. The Chair directs you to answer the question asked by counsel, do you fear incrimination just from the State and not from the Federal Government?

Mr. SAPPERSTEIN. You told me, sir, that I didn't have to answer questions, sir.

Senator HUNT. You have to say that you refuse to answer the questions because of self-incrimination, if that is the answer you want to give.

Mr. SAPPERSTEIN. Yes; that is the answer, sir. That is what I want to state.

Mr. MOSER. Mr. Sapperstein, we do not want to incriminate you, but we do want to get some information about how numbers and lotteries work, and whether there are any interstate connections. Would you be willing to tell us anything about how the numbers work?

Mr. SAPPERSTEIN. I can only tell you about myself, sir; that I do no business with no out-of-State or anywhere else.

Mr. MOSER. It is all within the State?

Mr. SAPPERSTEIN. I refuse to answer that, sir.

Mr. MOSER. But you have no interstate connections in your activities, is that correct?

Mr. SAPPERSTEIN. That is correct.

Mr. MOSER. Have you had any dealings with Willie Adams?

Mr. SAPPERSTEIN. No, sir.

Mr. MOSER. None at all?

Mr. SAPPERSTEIN. I know who you are talking about.

Mr. MOSER. Your mouth is covered. I can't hear you.

Mr. SAPPERSTEIN. Excuse me, sir. I know who you are referring to.

Mr. MOSER. You know him personally?

Mr. SAPPERSTEIN. Just know him.

Mr. MOSER. Have you had any dealings with him?

Mr. SAPPERSTEIN. No, sir.

Mr. MOSER. No business dealings with him?

Mr. SAPPERSTEIN. No, sir.

Senator HUNT. That is all, Mr. Sapperstein.

Mr. SAPPERSTEIN. Thank you, sir.

Senator HUNT. Mr. Matusky, would you stand and be sworn, please? Do you solemnly swear that the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MATUSKY. I do.

Mr. MOSER. Mr. Matusky, will you state your name and address, please?

TESTIMONY OF LEONARD J. MATUSKY, BALTIMORE, MD.

Mr. MATUSKY. Leonard J. Matusky, 1553 Sheffield Road.

Mr. MOSER. Were you served with a subpoena?

Mr. MATUSKY. No.

Mr. MOSER. You come voluntarily?

Mr. MATUSKY. That is right, sir.

Mr. MOSER. Have you any records available that you could supply to us with regard to the income tax of the World-Wide News and Music Service?

Mr. MATUSKY. No; I don't.

Mr. MOSER. You have none with you?

Mr. MATUSKY. No; I don't.

Mr. MOSER. But you would be willing to give us what we asked for, wouldn't you?

Mr. MATUSKY. Yes, sir.

Mr. MOSER. Would you tell us the corporate set-up of that business, the names of the corporations, the States in which they are incorporated, and so forth?

Mr. MATUSKY. Incorporated in the State of Maryland.

Mr. MOSER. First, the name.

Mr. MATUSKY. What do you mean, the officers?

Mr. MOSER. The corporate names.

Mr. MATUSKY. World-Wide News and Music Service, Inc.

Mr. MOSER. What is the address of that?

Mr. MATUSKY. 210 East Redwood.

Mr. MOSER. The address you gave us for yourself is your residence; is that correct?

Mr. MATUSKY. That is right.

Mr. MOSER. And this is your business address?

Mr. MATUSKY. That is right.

Mr. MOSER. What is your position in this company?

Mr. MATUSKY. President.

Mr. MOSER. You are the president of it?

Mr. MATUSKY. Yes.

Mr. MOSER. Will you name the officers?

Mr. MATUSKY. I am the president, my wife is secretary and treasurer.

Mr. MOSER. Your wife?

Mr. MATUSKY. Yes.

Mr. MOSER. Give her name.

Mr. MATUSKY. Gertrude E.; Samuel Niles is vice president.

Mr. MOSER. Who is the secretary and treasurer, are you?

Mr. MATUSKY. The wife.

Mr. MOSER. Your wife?

Mr. MATUSKY. Yes, sir.

Mr. MOSER. Your wife is secretary and treasurer, both?

Mr. MATUSKY. That is right.

Mr. MOSER. Who are the directors?

Mr. MATUSKY. Well, that is the directors.

Mr. MOSER. The officers constitute the whole board of directors?

Mr. MATUSKY. That is right.

Mr. MOSER. Who are the stockholders?

Mr. MATUSKY. What do you mean by stockholders?

Mr. MOSER. Who owns the stock of the corporation?

Mr. MATUSKY. That is something I would rather—I was told to come here to bring my private line customers, and I am not here with counsel, and I would rather not answer that.

Mr. MOSER. You do not want to reveal who the stockholders of your corporation are?

Mr. MATUSKY. That is right, and I got legal advice. I was asked by Mr. Jackson over the phone Saturday. I think, somewhere around 11:30, to come here and bring my private line customers, and my personnel, and that is what I have with me.

Mr. MOSER. Well, we could compel you to reveal the names of the stockholders. I would like to have you give us a reason.

Mr. MATUSKY. I would like to have my counsel—I would like to talk to counsel.

Mr. MOSER. All right.

Senator TOBEY. What is the music part of the business?

Mr. MATUSKY. Why, we are on the air from 9 to 2 a. m. in the morning. Actually as far as racing is concerned, we give probably about 40 or 50 minutes. I have the exact times of racing. We devote our time——

Mr. MOSER. We will go into that step by step, if that is all right with you, Senator.

Senator TOBEY. Certainly.

Mr. MOSER. You do not want to reveal the stockholders. Would you tell me whether the stockholders are a corporation or an individual or more?

Mr. MATUSKY. I would rather have advice of counsel. If I knew you were going to ask me these questions I would have had counsel.

Mr. MOSER. All right. Will you consult counsel and then will you please furnish us with the names of the stockholders?

Mr. MATUSKY. That is right, sir.

Mr. MOSER. All right.

Will you describe generally the nature of the business of World-Wide News and Music Service, Inc.?

Mr. MATUSKY. We are on the air from 9 until 2 o'clock in the morning, and Sunday from 2 p. m. until 2 a. m., giving music. Of course, there is no racing in the morning, and no racing at night.

At night we give baseball, fights, wrestling, or whatever may come over in sporting. In the afternoons, when there is tennis or whatever may be in the sporting line comes over our Western Union wires, we give that service out.

In between—we don't have now—we had local advertising and I have a list of—for instance, if the gentlemen here care to see it, here is some of the mail that I have gotten that has come in, I have not opened it yet this morning.

Senator TOBEY. Do you own a radio broadcasting station? Do you have a radio station of your own?

Mr. MATUSKY. Well, we operate on a basis the same as a radio station, that is, giving race results, everything in the sporting line.

Senator TOBEY. I see.

Mr. SMITH. It is over leased wires?

Mr. MATUSKY. Over leased wires, and in between we play music.

Senator TOBEY. Do you have any religious services?

Mr. MATUSKY. No, sir.

Senator HUNT. May I ask a question? Do you own the station?

Mr. MATUSKY. Do I own the station? No, sir.

Senator HUNT. Do you own a radio station?

Mr. MATUSKY. No; we don't own a radio station. I can explain it to you a lot better, gentlemen. We use telephone wires, private line telephone wires, the same as if you would have an extension between here and, say, 10 blocks away, so the telephone company installs those wires in the location and——

Mr. MOSER. In your office.

Mr. MATUSKY. Not from our office, from their exchange. We only have one line running from our broadcast studio to the central office of the telephone company. From there it is redistributed over the city of Baltimore.

Senator HUNT. That goes into the private homes over a private telephone line?

Mr. MATUSKY. Some private homes. We don't have many private homes. Most of my accounts are in taverns.

Mr. MOSER. The wires run from the telephone company into the tavern?

Mr. MATUSKY. That is right. We have one line running from our office into the central office in Baltimore, say, Plaza, that is the central office, and we have the amplifying equipment that will take care of up to 200 customers. We don't have anything like that or never did have, but it would take care of as many as 200.

Mr. MOSER. Where is that amplifier?

Mr. MATUSKY. That is in the telephone company's exchange.

Mr. MOSER. And they have a room in which this is amplified?

Mr. MATUSKY. They reamplify it.

Mr. MOSER. It is amplified into telephones?

Mr. MATUSKY. That is right, in the telephone company and over these private lines in order for the account to receive it at the other end. It comes in a speaker, similar to a radio. A person can turn it on and listen to it for an hour if he wants to listen to it from 9 to 2 a. m., and if so, he can.

Senator HUNT. That is attached to his telephone?

Mr. MATUSKY. That is right. It is just a little block. The telephone company installs two wires, and our speaker is attached to this telephone-company line and it is an amplifier, and you can turn it on and get music, whatever you want to listen to.

Mr. MOSER. If the tavern wants to listen to it you must have an amplifier there?

Mr. MATUSKY. That is right. The same idea as the idea of Muzak in most places. We give the same type of music, which is the same as Muzak, and also sporting results, and anything coming in in the sporting line that may be of interest to the public, which we feel is in the interest of the public. We get a lot of stuff that comes from colleges, racetracks; CBS in Baltimore, we get their service exclusively, and we read that over the broadcast; MGM, all the studios send it. We do not read it all; we just read the things that we think would be of interest to men in taverns, and clubs—we read that.

Mr. MOSER. Where do you get your information?

Mr. MATUSKY. Why, our information is mailed to us. Here is the mail that was just sent here, this morning's mail, that I got through here from CBS, if you care to look at it.

Mr. MOSER. You have mail coming in that gives you information?

Mr. MATUSKY. That is right; that is mailed to us.

Mr. MOSER. What do you get from Howard Sports News?

Mr. MATUSKY. Why, that is sent from their office over a private line.

Mr. MOSER. They send you race results over a private line?

Mr. MATUSKY. That is right. They send race results over a private line.

Mr. MOSER. You receive that and then broadcast through this system yourself?

Mr. MATUSKY. We rebroadcast it; that is right.

Mr. MOSER. Do you have any wire service other than Howard Sports that furnishes you with information?

Mr. MATUSKY. Why, at present, I don't. I did have Trans Radio.

Mr. MOSER. Trans Radio News?

Mr. MATUSKY. Had Trans Radio at one time.

Mr. MOSER. Now, Mr. Matusky, I would like to save time if I can on this, and I think I can if you will cooperate.

We would like to have our investigators obtain from you your sources of news, a list of your sources of news, including the wire services, as of April 1, 1950.

We would also like to have the same information as of January 1, 1951.

Mr. MATUSKY. I gave that as of 1948 to a Mr. Farrell. I gave him a list of all the accounts we have had at different times from 1948.

Mr. MOSER. We do not seem to have them in our file.

Mr. MATUSKY. It was given to him.

Mr. MOSER. We do not have in our file the names of your customers.

Mr. MATUSKY. It was asked for this past Friday a week ago.

Mr. MOSER. Let us assume for the moment we have got it.

Mr. MATUSKY. I have a copy of it here, I think.

Mr. MOSER. Mr. Matusky, we have a list obtained from the phone company of the leased wires.

Mr. MATUSKY. That is right, sir.

Mr. MOSER. Those are your customers?

Mr. MATUSKY. That is right. They were my customers. They are not now. At present I have not—at present I have seven operating accounts. I wrote the telephone company a letter when I called before the grand jury, and besides what you have there, we also take local advertising that does not take over a minute, for instance, like moving companies, clothing stores, and stuff like that.

Mr. MOSER. You mean over your broadcasting system?

Mr. MATUSKY. That is right.

Mr. MOSER. You give out advertising?

Mr. MATUSKY. That is right. In other words—we operated similar to a radio station. A record is finished, and we have some time in between, and we will read one of those plugs or one of the commercials that we have for advertising and I have since 1948 been trying to get national advertisers, of which some of them are interested.

I have letters of those from 1948 on, from the Gillette people, and, well, there is quite a few of them here. Here is a list of accounts I have. I can give you everything you would like to have now.

This is from May 4, 1950, March 28, 1951. The ones that are erased have been canceled. One of them is one I had home, I canceled that.

Mr. MOSER. What we want to have is the status as of specific dates. I have here May 4, 1950, and that is a list—this is a letter addressed to World-Wide News Service, dated May 4, 1950, signed by J. H. Valentine from the Chesapeake & Potomac Telephone Co. It purports to give a list of the—and addresses at which your programs are being billed as of that date.

Mr. MATUSKY. Well, that is what you have there.

Mr. MOSER. Yes.

Mr. MATUSKY. I do not have any of those programs which are being billed now. I am only keeping those seven accounts now to protect my amplifying equipment.

Mr. MOSER. You understand, Mr. Matusky, what I want to do is to find out the status of it on May 4, 1950, which you have given me with this, the status of your customers.

Mr. MATUSKY. That is right.

Mr. MOSER. I would like the same thing as of January 1, 1951; and you have also furnished us with a list on March 28, 1951, showing that the list which in May of 1950 numbered 36, has now been reduced to 7, is that correct?

Mr. MATUSKY. That is right.

Mr. MOSER. I would like to have a list also supplied to me of the status of your customers on January 1, 1951. Will you supply that to us please?

Mr. MATUSKY. I was just wondering whether I would have that now. Would that be the same date as Mr. McFarland asked for the list?

Mr. MOSER. I do not know.

Mr. MATUSKY. That letter, I think, here that I sent. That was of May 5, 1950, that original list you have there.

This is a copy of what I gave to Mr. Farrell.

Mr. MOSER. This is dated May 5, 1950, is it not?

Mr. MATUSKY. That is right. I think it was when I received a wire from, was it Mr. McFarland, who is head of some committee?

Senator HUNT. Yes, that was a committee on Interstate and Foreign Commerce. He was chairman of the subcommittee, and was investigating wire service.

Mr. MOSER. This should be the same as the list you gave.

Mr. MATUSKY. That would be about what I would have from January 1950, and the other would be March. That would be just up to that date, in March is when most of those accounts were canceled.

Mr. MOSER. It looks like a different list.

Mr. MATUSKY. No; it should be the same. The only thing you would find would be different would be that I have, if you will notice, inactive and active accounts.

Mr. MOSER. Why is Howard Sports daily on your list of inactive accounts?

Mr. MATUSKY. Howard Sports? Can I come over there? Maybe I can help you.

Mr. MOSER. Yes.

Senator HUNT. Yes; you can come over, Mr. Matusky.

Mr. MOSER. I do not understand, Mr. Matusky, why you have 36 on one list, and a lot less on the other. It seems to me there are about a dozen.

Mr. MATUSKY. Of which 19 are inactive, and the following are active accounts.

Mr. MOSER. This includes inactive?

Mr. MATUSKY. No; that is both inactive and active accounts. You see I have here the 36 lines of C. & P. Telephone Co., of which 19 are active, and the following active lines in operation May 1.

Mr. MOSER. How do you account for the fact that Howard Sports News is on your inactive list?

Mr. MATUSKY. No; that is operating. Fifteen drops of Western Union, on which nine are inactive, and the following are operating and Howard is operating.

Mr. MOSER. Howard Sports News; that is a drop?

Mr. MATUSKY. That is a drop.

Mr. MOSER. From you to them?

Mr. MATUSKY. From them to me.

Mr. MOSER. From them to you?

Mr. MATUSKY. That is right.

Mr. MOSER. Then, are these all sources?

Mr. MATUSKY. No; these are accounts, and Howard Sports is the only one source of information.

Mr. MOSER. Then, the Howard Sports daily is a source of information.

Mr. MATUSKY. That is right.

Mr. MOSER. Whereas the others are accounts.

Mr. MATUSKY. That is right.

Mr. MOSER. Can you supply us the same information as of January 1, 1951?

Mr. MATUSKY. I can; but I would say it would be about the same as this.

Mr. MOSER. Would you supply us the exact list?

Mr. MATUSKY. Yes.

Mr. MOSER. Will you mail that to us?

Mr. MATUSKY. That is right.

Mr. MOSER. All right. Thank you.

At the bottom of this list, dated May 5, 1950, which you say you supplied to the McFarland committee, it says, "Eleven clients who are identified by call-in numbers only, telephone this office for various sports news," and then you list 11 numbers which are code numbers.

Mr. MATUSKY. That is right, sir.

Mr. MOSER. Do you know who they are?

Mr. MATUSKY. No, sir.

Mr. MOSER. Do you ever make any attempt to find out who they are?

Mr. MATUSKY. Why, no; I don't.

Mr. MOSER. How do you get them as customers?

Mr. MATUSKY. They come in and ask for the service, and when we sign them—give them a number, they call in on sort of a telephone number, and get whatever they may want.

Now, lots of those fellows are horsemen and own horses, and they are in town, and usually they are—only 2 or 3 weeks, probably not long, while their horses are here in Maryland, and they may have horses in other places.

Mr. MOSER. You have an understanding from them that you will not attempt to ascertain their identity; is that right?

Mr. MATUSKY. No, sir; I do not.

Mr. MOSER. But you do not attempt to ascertain their identity, do you?

Mr. MATUSKY. Well, we ask them what their name is, and they give you the first name.

Mr. MOSER. So you don't know their identity, except by their first name?

Mr. MATUSKY. That is right.

Mr. MOSER. And you do not attempt to?

Mr. MATUSKY. No.

Mr. MOSER. If you did attempt to what would they do?

Mr. MATUSKY. I don't know. I never tried it. I mean I didn't know it was compulsory, other than on private lines. We do attempt to do that on private lines, and the telephone company inspects those accounts before they are installed.

Mr. MOSER. Then, these unknown accounts know that you are not going to ask them their identity; isn't that true?

Mr. MATUSKY. I would not say that they do; no.

Mr. MOSER. Isn't it a rather unusual way of doing business to have unidentified customers?

Mr. MATUSKY. Well, I have been around this business, not too long—I have been around about 14 years, and that has always been the way to handle any customers that call in. You just give him a number; you don't even try to get his name.

Mr. MOSER. And you will do that for anybody who calls in?

Mr. MATUSKY. Anybody who calls in, yes, sir.

Mr. MOSER. Do they have to come in personally?

Mr. MATUSKY. Well, they don't have to come in personally, no, sir, as long as they come up and pay their money for the week, and that is the way it operates.

Mr. MOSER. They pay once a week?

Mr. MATUSKY. That is right, sir.

Mr. MOSER. And they pay in cash?

Mr. MATUSKY. Yes, sir.

Mr. MOSER. They always pay in cash?

Mr. MATUSKY. Yes, sir; most of them do, not always. I would say there is very few checks.

Mr. MOSER. Do these unidentified customers sometimes pay by check?

Mr. MATUSKY. Well, not that I can recall, no, sir. In fact, there are very few paid by check.

Mr. MOSER. Can you tell us how much each one of these pays, these unidentified numbers?

Mr. MATUSKY. Forty dollars a week.

Mr. MOSER. Forty dollars a week?

Mr. MATUSKY. That is right. Some pay less. I would say the average would be—most of them are \$40, but some of them pay \$30 a week.

Mr. MOSER. Why do some pay less than others?

Mr. MATUSKY. Well, some of them may be calling two or three times a whole week, and they tell you they are only going to call in two or three times that whole week, and for that reason all we charge them is \$30 a week.

Mr. MOSER. Now, the Howard News Service, you know about, of course?

Mr. MATUSKY. Yes, sir.

Mr. MOSER. Are they a competitor of yours?

Mr. MATUSKY. A competitor? In a way I would say they are. They are not a competitor of mine as far as my measure of business is concerned, due to the fact that my business is loud-speaker systems in public places, which is open to anyone.

Mr. MOSER. But you have a system of call-in numbers where you give individual information; isn't that correct?

Mr. MATUSKY. That is right.

Mr. MOSER. And that is not the loud-speaker system?

Mr. MATUSKY. No; that is not the loud-speaker system.

Mr. MOSER. Does Howard have the same system that you do with regard to the unidentified customers?

Mr. MATUSKY. So far as I know.

Mr. MOSER. Do you know how much they charge?

Mr. MATUSKY. No; I don't other than what I read in the papers. I don't think they tell me what they charge. They are a competitor, as you say; they are a competitor of mine.

Mr. MOSER. I understand you to say that some pay less. Do you negotiate with them over the telephone as to how much they are going to pay?

Mr. MATUSKY. No; not necessarily. I would say, in fact, the calls, most of them come in and ask for the service, tell you they would like to have the service, and they will pay for the service and call in for it.

Mr. MOSER. When you supply us with this list of customers, will you also include the list of unidentified customers who are identified by code only, and opposite each one will you place the weekly payment that they make for the service?

Mr. MATUSKY. Yes.

Mr. MOSER. Will you also furnish us the same information with regard to the listed customers, the identified customers, the amount they pay per week for the service?

Mr. MATUSKY. Yes.

Mr. MOSER. In connection with your business, you receive payment from these identified customers. Do they pay in cash?

Mr. MATUSKY. Most of them do; yes, sir.

Mr. MOSER. And occasionally by check?

Mr. MATUSKY. Occasionally; that is very seldom.

Mr. MOSER. The telephone company sends some of the bills, or do they send them direct?

Mr. MATUSKY. No; they send the bills directly to me. The way it works, a subscriber will call. For instance, it could be you, and he tells me that they want a service in a certain tavern. They give me the name of the tavern. I, in turn, call the telephone company and give them the order. They, in turn, send an inspector out and inspect the location to see if it is a proper place to have that type of service; and, if it isn't, they turn the order down, which is quite often, and if they think it is a proper place they install the service.

Mr. MOSER. What is their measure of what they think is proper or improper?

Mr. MATUSKY. I wouldn't know that, sir. They have their own inspectors, and go out and question the prospective subscriber.

Mr. MOSER. Don't you have anything to do with the selection of the subscribers?

Mr. MATUSKY. No, sir; I don't. There is no reason for me to go out, because my word would not be any good at all. The phone company wouldn't put it in on my say-so.

Mr. MOSER. So, the phone company establishes all of these customers at your request?

Mr. MATUSKY. That is right. They send their own inspectors out, and they send them out—

Mr. Moser. I want to make clear what information we want you to give us. Do you want to make a note of it? I have three dates in mind, May 1, 1950—

Mr. MATUSKY. What date?

Mr. Moser. May 1, 1950; January 1, 1951, and July 1, 1951, although we would be satisfied with a date like March 28, which is what you have given us here.

Mr. MATUSKY. Well, the reason I got that, that was right before I went before the grand jury.

Mr. Moser. I think I will ask you to give us July 1.

Mr. MATUSKY. July 1?

Mr. Moser. 1951.

Mr. MATUSKY. That would be the same as what I have there; there is nothing else.

Mr. Moser. All right, give us the full list of all customers on each of those dates, with the amount that they pay for the service, indicating whether they pay by check or by cash. Will you do that?

Mr. MATUSKY. Yes.

Mr. Moser. Will you supply that to us under oath?

Mr. MATUSKY. I don't know just what you mean by that.

Mr. Moser. You will supply it to us, and you understand that you are doing so under oath as part of this testimony? Will you do that?

Mr. MATUSKY. I am not an attorney. You are asking me—I am going to give you just what you asked for, and by giving you what I have, my actual records, that would be accurate.

Mr. Moser. All right.

Now, you pay your expenses out of the income you receive, and the balance, which we might call your net income, what happens to that?

Mr. MATUSKY. Well, there hasn't been any much of a balance as far as my company has been concerned. I operate a very small business. It is operated in the State of Maryland here, and there hasn't been anything to amount to anything, maybe \$1,200, \$1,500, or something like that.

Mr. Moser. A year?

Mr. MATUSKY. That or maybe more. For instance, last year was a loss last year.

Mr. Moser. 1950?

Mr. MATUSKY. That is right, sir.

Mr. Moser. What was it the year before?

Mr. MATUSKY. I would say roughly it could have been \$1,500 or \$2,500 profit.

Mr. Moser. Is this your only source of income?

Mr. MATUSKY. That is right, sir.

Mr. Moser. You and your wife together?

Mr. MATUSKY. That is right.

Mr. Moser. And your wife has no other income?

Mr. MATUSKY. No, sir.

Mr. Moser. And your only income was \$1,500?

Mr. MATUSKY. No; I draw a salary. I am referring to my income-tax report, what profit was made at the end of the year; that is what I am referring to.

Mr. Moser. Now, then, among the expenses paid, do you have any expenses besides salaries, rent, and telephone expenses, and your

salaries I guess I mentioned, and do you have any expenses that fluctuate according to the amount of business that you do?

Mr. MATUSKY. No. The only expenses I would have are probably petty cash, and that would run maybe \$40, \$50, or some weeks \$60.

Mr. MOSER. How much do you pay Howard Sports Daily for the information they give you?

Mr. MATUSKY. My last payments were \$300 a week.

Mr. MOSER. Three hundred dollars a week?

Mr. MATUSKY. That is right.

Mr. MOSER. How much was it in 1950?

Mr. MATUSKY. I would say it was about the same. It may have been \$250 at the lowest, between \$250—

Mr. MOSER. It is lower in 1950?

Mr. MATUSKY. Yes.

Mr. MOSER. It is higher now?

Mr. MATUSKY. It is not higher now. I have paid nothing to Howard; I have not paid them for 6 months or more.

Mr. MOSER. You have not gotten service from them?

Mr. MATUSKY. The wire is still there. I am not paying Howard anything. I am not in a position to pay anything with no business.

Mr. MOSER. Do you have an agreement in which you pay them a fixed amount per month?

Mr. MATUSKY. Per week.

Mr. MOSER. Per week?

Mr. MATUSKY. There is no arrangement. There is a verbal agreement. I imagine, if my business was larger, they probably would charge me more money, the same as I would do with a private home. I would charge them less than I do with a business place, due to the fact that the business place is commercialized and making money on my type of service. That, in my opinion, is an appropriate type of service for any private location.

Mr. MOSER. A private home pays less?

Mr. MATUSKY. That is right.

Mr. MOSER. How do you know it is a private home?

Mr. MATUSKY. Because the line is installed in there. We had one in the Belvedere Hotel for years. There was a fellow there—I mean, I won't mention his name, because I notice they get publicized—he is well known as a horseman. In fact, the man is a millionaire, and is only in town 2 or 3 months. He only paid \$300 a year.

Mr. MOSER. Now, you set the price of your service according to whether they are in commercial or not.

Mr. MATUSKY. That is right, sir. If it is a private home, they pay less; if they commercialize it in a public place where people come in and out, they pay more.

Mr. MOSER. Now, you say that you have not paid the Howard Sports Daily. Do you owe them?

Mr. MATUSKY. Yes, sir.

Mr. MOSER. You do owe them?

Mr. MATUSKY. That is right, sir.

Mr. MOSER. How much do you owe them? Is it \$300 a week?

Mr. MATUSKY. I have not received a bill. I would not owe them \$300 a week. I could not pay \$300 a week. I have no business to pay that.

Mr. MOSER. In other words, when your business falls off, they don't charge you; is that correct?

Mr. MATUSKY. No; that is not the reason.

Mr. MOSER. Well, your fee, the charge they have, is \$300 a week; is that right?

Mr. MATUSKY. That is right, \$300 a week. Of course, it could be less. I am not doing the business, and I just told them I was not able to pay them, and I have not received a bill since that time.

Mr. MOSER. If they sent you a bill for \$300 a week for the last 6 weeks, what would you say?

Mr. MATUSKY. I would not pay it. I could not pay it because it would be ridiculous for me to pay \$300 a week for service because I am not using it at present, oh, I would say for the past 4 months. I was not taking in \$300 a week; so, I certainly could not pay \$300 a week for that type of service.

Mr. MOSER. In previous years, when you made more money, how much did you pay them when you used the service?

Mr. MATUSKY. There never was a higher rate than \$300.

Mr. MOSER. That was the highest?

Mr. MATUSKY. Yes, sir.

Mr. MOSER. In previous years, when you paid \$300, and you had a profit left over, what did you do with that?

Mr. MATUSKY. Well, I don't recall offhand. I mean I have declared a bonus.

Mr. MOSER. To whom?

Mr. MATUSKY. To some of the help, I mean, but that has not been recently. That has been sometime ago. I wouldn't know offhand.

Mr. MOSER. Has the corporation ever declared a dividend?

Mr. MATUSKY. No, sir.

Mr. MOSER. Never declared a dividend?

Mr. MATUSKY. No, sir. We operate—not to interrupt you—but our business is operated as a business that would just operate enough to make a living out of it. We average, I would say, in the matter of a year we might hit a peak of 36 customers which you have there, of which 19 were only active. So, our average customers would be 20, 25 customers.

Mr. MOSER. When you receive your payment in cash, do you give receipts?

Mr. MATUSKY. If they ask for them, yes, sir. We have receipts if they ask for receipts, and we give them a receipt.

Mr. MOSER. When you receive the cash, what do you do with it?

Mr. MATUSKY. Deposit it in the bank.

Mr. MOSER. What bank?

Mr. MATUSKY. Equitable Trust.

Mr. MOSER. Equitable Trust?

Mr. MATUSKY. That is right.

Mr. MOSER. Is that the only bank account of the corporation?

Mr. MATUSKY. That is right.

Mr. MOSER. Do you have a personal bank account besides?

Mr. MATUSKY. Yes.

Mr. MOSER. What bank is that?

Mr. MATUSKY. Equitable, and I have a checking account in the Maryland Trust—not the Maryland Trust, the Union Trust, rather.

Mr. MOSER. What kind of account do you have there?

Mr. MATUSKY. Checking account.

Mr. MOSER. Did you ever learn of your customers being convicted of bookmaking?

Mr. MATUSKY. When I do, the service is automatically disconnected.

Mr. MOSER. For good?

Mr. MATUSKY. That is right, sir. I would say for good now. They come back in 2 or 3 years, and if the phone company feels that the place has changed, we install the service in those locations.

Mr. MOSER. In other words, you do not sell your service to anybody who is known to be a bookie, a bookmaker?

Mr. MATUSKY. That is right, because we inspect the locations.

Mr. MOSER. But you understand that these unidentified customers might very well be bookmakers, isn't that true?

Mr. MATUSKY. They could be, but I wouldn't think so. A bookmaker, I would say, would have to have service where he is on all day long and listening to something that is happening, and he would have to have prices, and know what is happening before the race. He can't call up after the race is over with and get a result. That is what the call-in customer gets when the race is over. As a matter of fact, they can get it off the radio as fast as they can get it off me.

Mr. MOSER. Why do they pay you for it?

Mr. MATUSKY. Well, they may not be in a location where they can listen to a radio or they probably don't want to listen to a radio with all those commercials that they have on. They are very annoying. That is one reason why a tavern is paying for this type of service in preference to listening to a radio.

Mr. MOSER. You give the odds out over the telephone?

Mr. MATUSKY. No.

Senator HUNT. What does the telephone charge for the installation of these, what do they call it, teleflash?

Mr. MATUSKY. Teleflash. The telephone company charges \$4.38, and so much per mile.

Senator HUNT. Per mile?

Mr. MATUSKY. That is right, sir. I have a bill here, I think my last month's bill.

Senator HUNT. How much would they charge me if I had one put in a private home in Baltimore, per month?

Mr. MATUSKY. How much would they charge you, sir? A private home would be, in your case, \$300 a month, the same as this particular location, or add three or four of them.

Senator HUNT. You do not mean that all of your customers pay three or four hundred dollars a month to the telephone company?

Mr. MATUSKY. No one pays the telephone company. I pay the telephone company.

Senator HUNT. You pay the telephone company?

Mr. MATUSKY. Yes, sir.

Mr. MOSER. None of them pay you \$300 a week?

Mr. MATUSKY. No. My highest is \$50; as I say, \$25 a month up to \$50.

Mr. MOSER. We understand, Mr. Matusky, from talking to one of your employees, that it is possible for one of your customers to get prerace odds. Do you deny that?

Mr. MATUSKY. Well, I mean if he gives it to them. We have it. Occasionally, I do not deny it. I could occasionally—a customer may ask, but we don't give it over the service, and if the call-in may ask one of the clerks what price the horse is, he may give it to them.

Mr. MOSER. If the customer asks for it he can get the prerace odds?

Mr. MATUSKY. They are not supposed to do it, but I wouldn't say they don't do it, because we don't give anything other than when the race is over.

Mr. MOSER. When you say you are not supposed, do you tell them not to?

Mr. MATUSKY. I have told them, yes. I have told them not to give any odds.

Mr. MOSER. When you say you have told them not to, is that because of any particular investigation going on?

Mr. MATUSKY. No particular reason.

Mr. MOSER. Is it against the rules?

Mr. MATUSKY. Well, Howard is in that type of business, and I am in a different type of business, and I doubt whether I would be—whether I was able to buy anything from Howard if I did do that.

Mr. MOSER. I do not see why a customer who pays \$40 a week wants to pay that amount of money unless he is going to get pre-race odds.

Mr. MATUSKY. Well, he can get that without calling me. He can look in any newspaper or buy a scratch sheet for a quarter and get the pre-race odds. That is what I would have.

Mr. MOSER. Mr. Matusky, you understand that we are expecting you to consult your counsel with respect to the names of the stockholders, and to supply us with an answer on that question.

Mr. MATUSKY. That is right, sir; I understand that.

Mr. MOSER. That is all we have to ask. Thank you very much.

Mr. MATUSKY. Then, can I have those back? That will help me, and as of May 1, 1950, you want the list of accounts, what they paid, and then from January 1 to July 1, 1950.

Mr. JACKSON. And the list of stockholders.

Mr. MATUSKY. That is right.

Mr. MOSER. Thank you.

Mr. JACKSON. This is a statement for the record in relation to William Adams, a witness before this committee.

Investigator Murray Jackson called at the offices of Joseph Rogan, attorney, on Thursday, July 5, 1951, at which time records pertaining to Adams Realty Co., Charm Center, and written agreements between one Lottie Johnson and William Adams were reviewed pursuant to instructions given Adams by this committee.

The CHAIRMAN. This will be noted in the record.

(Whereupon, at 4:35 p. m., the subcommittee adjourned, subject to call.)

ORGANIZED CRIME IN INTERSTATE COMMERCE

WEDNESDAY, JULY 18, 1951

UNITED STATES SENATE,
SPECIAL COMMITTEE TO INVESTIGATE
ORGANIZED CRIME IN INTERSTATE COMMERCE,
Washington, D. C.

EXECUTIVE SESSION

The special committee met, pursuant to call of the chairman, at 2:15 p. m. in room P-36, United States Capitol Building, Senator Estes Kefauver presiding.

Present: Senators O'Connor (chairman), Kefauver (presiding), and Hunt.

Also present: Downey, Rice, associate counsel; Thomas S. Smith and Murray Jackson, investigators.

Senator KEFAUVER. The committee will come to order.

Do you solemnly swear the testimony you give this committee will be the whole truth, so help you God?

Mr. ROSENWINKLE. Yes, sir.

TESTIMONY OF PALMER ROSENWINKLE, LINTHICUM, MD.

Senator KEFAUVER. Mr. Rosenwinkle, what is your first name?

Mr. ROSENWINKLE. Palmer.

Senator KEFAUVER. R-o-s-e-n-w-i-n-k-l-e?

Mr. ROSENWINKLE. That is right.

Senator KEFAUVER. What is your address?

Mr. ROSENWINKLE. Linthicum, P. O. Maryland.

Senator KEFAUVER. You are here under subpoena?

Mr. ROSENWINKLE. Well, yes.

Senator KEFAUVER. By request?

Mr. ROSENWINKLE. Yes, by request.

Senator KEFAUVER. Very well, counsel.

Mr. RICE. Your full name, Mr. Rosenwinkle?

Mr. ROSENWINKLE. Palmer Rosenwinkle.

Mr. RICE. And where do you live?

Mr. ROSENWINKLE. Linthicum, Md. P. O. Maryland, post office.

Mr. RICE. What is your present occupation?

Mr. ROSENWINKLE. I am a bricklayer by trade, sir.

Mr. RICE. And you were formerly with the Anne Arundel County police?

Mr. ROSENWINKLE. That is right, sir.

Mr. RICE. When was that?

Mr. ROSENWINKLE. I went with the department in April 1938, and terminated my employment March 27, 1948.

Mr. RICE. 1948?

Mr. ROSENWINKLE. That is right.

Mr. RICE. And going back to 1945, you were on the force then?

Mr. ROSENWINKLE. I was then, yes, sir.

Mr. RICE. And what was your particular duty then? Where were you stationed?

Mr. ROSENWINKLE. Well, I went in the police department as a desk clerk and then by an act of the legislature I was made a desk sergeant. I worked from nine in the morning until nine at night.

Mr. RICE. You were working from nine in the morning to nine at night as a desk sergeant in 1945?

Mr. ROSENWINKLE. That is right, sir.

Mr. RICE. And at what station?

Mr. ROSENWINKLE. Ferndale.

Mr. RICE. Do you recall an incident which occurred when Mrs. Frankel made a complaint?

Mr. ROSENWINKLE. I didn't recall it at the time until I came to work the next morning.

Mr. RICE. Tell us about that.

Mr. ROSENWINKLE. Well, when I came to work the next morning at 9 o'clock on Sunday morning, we have a big board, a daily record board shows the number of calls for the day. It's a continuation of numbers for the year. That would show the complainant's name, the charge, the officer's name, the investigating officer.

Mr. RICE. Are you referring to this?

Mr. ROSENWINKLE. Yes, you have one. That is right, exactly, sir.

Mr. RICE. We will mark this "Exhibit A" and it is called a daily record of complaints of Anne Arundel Police Department.

Mr. ROSENWINKLE. Let me put on my glasses to see something, just to straighten out something pertaining to the writing there. My writing is different from other people. This is my writing right here. In other words, you notice how I make my "A's."

Senator KEFAUVER. Let the paper be filed as exhibit 1.

(The document marked "Exhibit 1" will be found in the files of the committee.)

Mr. RICE. Under date of May 6, 1945, there is a notation bearing the number 5.

Mr. ROSENWINKLE. That is the District of Columbia, and over here is the number of your calls.

Mr. RICE. And you have Mrs. Frankel, the nature of the complaint is an investigation investigated by Officers Wade and Flannery, May 6, 1945, at 2:10 a. m. under the column headed "Report" where it is indicated that there was a report made, and I take it that report would be No. 584, is that correct?

Mr. ROSENWINKLE. That is right, that would be it, yes, sir.

Mr. RICE. Tell us a little bit about that.

Mr. ROSENWINKLE. Just one incident here. In other words, these reports where it is marked "Report," that is not my writing.

Mr. RICE. Is that your writing on there on the Frankel complaint at all?

Mr. ROSENWINKLE. No, not at all.

Mr. RICE. Do you recognize whose writing it is?

Mr. ROSENWINKLE. No, sir; I don't recognize the writing itself, but I know who was on the desk at the time.

Mr. RICE. Who was that, Sergeant Downs?

Mr. ROSENWINKLE. That is right.

Mr. RICE. Sergeant Arthur T. Downs?

Mr. ROSENWINKLE. That is right.

Mr. RICE. Do you recognize his writing?

Mr. ROSENWINKLE. Well now, I wouldn't say that was his writing, but I know he was on the desk, but I know my own writing. In other words, when the report is filed I will mark it "No report" or "Report." That is not my writing.

Mr. RICE. Just in an informal way tell us all you know about this occurrence.

Mr. ROSENWINKLE. Well, when I came in I heard some rumors in the station that there had been some kind of shooting on Hammonds Lane.

Mr. RICE. And that is in the county?

Mr. ROSENWINKLE. That is right, and then I heard just hearsay—I didn't go into it. I wasn't an investigating officer. I heard there was a backfire of an automobile, so a few days later, why I heard that someone was shot. Who I don't know. To this day I don't know.

Mr. RICE. Yes. Now you say you heard that there had been a shooting?

Mr. ROSENWINKLE. That is right.

Mr. RICE. What did they tell you about the shooting?

Mr. ROSENWINKLE. Well, there wasn't much elaboration about it at the time. Just said there was a shooting on Hammonds Lane. Whether it had been on the road, back of the house, or in a house, I don't know.

Mr. RICE. Did they say anything about the White House Tavern or White House Inn?

Mr. ROSENWINKLE. Just said Hammonds Lane, to my recollection.

Mr. RICE. Now did you get any information about who investigated the shooting?

Mr. ROSENWINKLE. These two officers.

Mr. RICE. Officers Wade and Flannery?

Mr. ROSENWINKLE. Yes.

Mr. RICE. Did you talk to them about it?

Mr. ROSENWINKLE. Oh, no.

Mr. RICE. Do you remember who you talked to about it?

Mr. ROSENWINKLE. No. I say in a general discussion. You see, at the time we only had a handful of police, and they would come in at different intervals when we changed shifts, and then there would be discussion among them of the shooting. I never interrogated them. They were my superior officers. I didn't question them about what was going on on the Lane.

Mr. RICE. You came on at 9 in the morning?

Mr. ROSENWINKLE. That is right.

Mr. RICE. So you heard about it during the day of May 6?

Mr. ROSENWINKLE. Yes; that is right.

Mr. RICE. And was Chief Souers there then?

Mr. ROSENWINKLE. Yes; he is there every Sunday.

Mr. RICE. He is there every Sunday?

Mr. ROSENWINKLE. That is right.

Mr. RICE. And do you have any recollection of a discussion about this shooting taking place in his presence?

Mr. ROSENWINKLE. No, sir; I don't think I did. As a matter of fact, I will have to be truthful; I didn't even see a report on it. That is the reason I didn't talk to anybody about it. If I seen a report, I will talk about the case.

Mr. RICE. Well, now, the nature of the case under the policy or regulations of the department would call for a report to be made, would it not?

Mr. ROSENWINKLE. That is right.

Mr. RICE. And did you have any knowledge about whether the report was actually made?

Mr. ROSENWINKLE. No, sir; I don't recall the report. Probably I didn't see it, but, as I told you, when I filed a report, which I always did if I pick them out of the basket on the side, I read them over and write "Report."

Mr. RICE. You would write "Report"?

Mr. ROSENWINKLE. To signify there was a report made on the case.

Mr. RICE. Let us go through the procedure a little bit. The officers go out in answer to the complaint at 2:10 a. m., and they investigate it. They come back and make a report immediately?

Mr. ROSENWINKLE. Just as I told you, we only had a handful of men. Probably they worked their full shift and come and make that report.

I know lots of times I would have to call them just on an accident case, ask them where the report is because an adjuster was there wanting it. They would say, "I will make it out tonight when I come in."

Mr. RICE. Would they relate the number back to the case?

Mr. ROSENWINKLE. Oh, yes; you go by this. This would tell you on this side, would correspond with the number.

Mr. RICE. Is there any reason for having numbers without reports?

Mr. ROSENWINKLE. Any reason to have these numbers?

Mr. RICE. Yes.

Mr. ROSENWINKLE. Oh, these sheets are made up with numbers. You see, they are in red. When I sat there I would put numbers, oh, probably have them up to a thousand and just wait until they put them on the board again.

Mr. RICE. Is it possible then you would have a number with no report backing it up?

Mr. ROSENWINKLE. No; it would be a report or no report, and, in other words, if there is no report, then you wouldn't have to look for anything, not even for that number.

Mr. RICE. Then the number definitely relates to a report that is written and filed?

Mr. ROSENWINKLE. That is right.

Mr. RICE. Well, now, without pinning you down to what you know to be definite evidence, something you have actually heard yourself or something you participated in, what was the general story about this cover-up of this report? What did you later hear as "scuttlebutt" or rumor about it?

Mr. ROSENWINKLE. Well, in other words it is just a topic or a general conversation that was a backfire of an automobile.

Mr. RICE. Wait a minute. When you say that they had put in a report that it was a backfire or that it actually was a backfire—

Mr. ROSENWINKLE. I don't know if it was or not. I never saw a report on it. I say just a general topic that it was a backfire of an automobile. That is all I heard.

Mr. RICE. Well, now, what is your own personal impression? Do you have the impression that it was a backfire or somebody actually got shot?

Mr. ROSENWINKLE. My own opinion?

Mr. RICE. Yes.

Mr. ROSENWINKLE. My own opinion, I would say it wasn't. That is my opinion, one man's opinion.

Mr. RICE. Your own opinion is that someone got shot, but a report was made that there was a backfire?

Mr. ROSENWINKLE. I don't know there was a report. I never seen one. Not my writing on here where I filed a report, even.

Mr. RICE. As a matter of fact, you heard someone was in a hospital as a result of that shooting, did you not?

Mr. ROSENWINKLE. Later on I did; yes. That is what made me believe and think that there was a shooting.

Mr. RICE. And you also heard somewhere along the line that it involved something that had happened at the White House Tavern, which was a gambling place?

Mr. ROSENWINKLE. That is right.

Mr. RICE. Notoriously open gambling place there?

Mr. ROSENWINKLE. Yes.

Mr. RICE. You were a desk sergeant. I take it you did not go out on a job investigating violations?

Mr. ROSENWINKLE. If I may say, I think during my course of time I investigated two cases.

Mr. RICE. How did it come to your attention that the White House was a gambling place?

Mr. ROSENWINKLE. How did it come to my attention?

Mr. RICE. Yes.

Mr. ROSENWINKLE. Well, I have heard rumors about it and just as I say, I worked from 9 to 9. I would have a Tuesday off and I was glad when I had my Tuesday off to take my wife and children to town to take in a show. When a man sits at a desk from 9 in the morning until 9 at night, it is pretty rough on him.

Mr. RICE. Somewhere along the line you became aware that there was a gambling thing going on?

Mr. ROSENWINKLE. I heard talk of gambling throughout the county, throughout all the counties as a matter of fact. Sure I heard about it at Jimmy La Fontaine's place right here in Hyattsville. That is nothing to cover up.

Mr. RICE. So that you had heard about the White House?

Mr. ROSENWINKLE. Oh, sure.

Mr. RICE. Had it always been there?

Mr. ROSENWINKLE. The White House was there before I was even on the police department. It is still there today.

Mr. RICE. Is it still a gambling place?

Mr. ROSENWINKLE. I wouldn't know. I have been away 4 years.

Mr. RICE. Whose place was it supposed to be?

Mr. ROSENWINKLE. I don't even know that. The people that used to have it were named Warren. They had a tavern and night club there.

MR. RICE. White House. Is that the only name you heard connected with it?

MR. ROSENWINKLE. Yes.

MR. RICE. How about Frankel?

MR. ROSENWINKLE. I see a box out there with the name Frankel on it.

MR. RICE. Does the name Rosen connect?

MR. ROSENWINKLE. Never heard of him.

MR. RICE. How do you account for a place like that running in the county in violation of law?

MR. ROSENWINKLE. How do I account for it?

MR. RICE. Yes, sir.

MR. ROSENWINKLE. I don't know. I was just a desk sergeant. I was just a little pea in the pod. I don't know.

SENATOR KEFAUVER. Did all of the officers there know that it was operating?

MR. ROSENWINKLE. I wouldn't know. I can't answer for them. They were out patrolling the roads. I wasn't. I was confined to a desk.

SENATOR KEFAUVER. You were behind a desk?

MR. ROSENWINKLE. Oh, yes. I sat behind the desk.

SENATOR KEFAUVER. It was generally known that it was a gambling place?

MR. ROSENWINKLE. Oh, yes.

SENATOR KEFAUVER. Why didn't they close it down?

MR. ROSENWINKLE. I don't know.

SENATOR KEFAUVER. You don't know?

MR. ROSENWINKLE. No, sir.

SENATOR KEFAUVER. Senator O'Connor?

SENATOR O'CONNOR. No questions.

SENATOR KEFAUVER. Senator Hunt?

SENATOR HUNT. No questions.

SENATOR KEFAUVER. Mr. Jackson? Mr. Smith?

MR. SMITH. Did you tell me anything about an arrest you had made on numbers?

MR. ROSENWINKLE. Oh, yes; I just got done elaborating on two cases.

MR. SMITH. Could you give us a little synopsis on that?

MR. ROSENWINKLE. Oh yes, I would be glad to do that. Officer Gavlin who is a foot patrolman—we have two foot patrolmen in Glen Burnie. Probably you know it, and the rest of them ride around in patrol cars. Officer Gavlin observed these numbers writers coming from Baltimore and transferring in cars. He in turn called me at the desk and told me about it. I in turn told him to get all information pertinent to the action that was happening at Glen Burnie when it would come down, the time and so forth and so on, and then I referred it to my chief of police.

MR. SMITH. Chief Souers?

MR. ROSENWINKLE. That is right exactly, and he told me, he said, "You go down and check it also," a double check, which I did, and I observed the conditions just as the officer related it. That was within a week and a Saturday we apprehended the number writers.

MR. RICE. Who were they?

Mr. ROSENWINKLE. One of them was named Sam Goldberg. He was the main one. There was three other fellows, two other fellows.

Mr. RICE. Is he related to George Goldberg?

Mr. ROSENWINKLE. I understand he is his brother. We confiscated lottery tickets, their automobile and \$7,400 in cash. I did participate in that.

Mr. SMITH. Could you give us the date on that?

Mr. ROSENWINKLE. Offhand I couldn't. That wasn't even put on this board, to tell you the truth. That was from one officer to another.

In other words, this here is complaints from the public, one officer to another that was. I couldn't give you the date on that, no. I mean the reports of the arrests, at the police station would show the date on that when they were apprehended. I know it was on a Saturday afternoon.

Mr. SMITH. In what year?

Mr. ROSENWINKLE. That was in 1947.

Mr. SMITH. Do you know whether they are still in business or not?

Mr. ROSENWINKLE. No, I wouldn't know now.

Mr. RICE. Going back to this shooting incident, is there anything else you would like to tell us that you think would be interesting.

Mr. ROSENWINKLE. That is all I do know about it. Just as I say, practically what I have told you is hearsay, I have no facts about it. I didn't investigate the case and I didn't go into it, and at the time I told Mr. Smith about it, why that information I had was asked of me in 1949 by a county grand-jury man and I told about it, I would get the information and that date, and from then on nothing happened.

Mr. RICE. As far as you know you never saw the report which is supposed to have told about this backfiring?

Mr. ROSENWINKLE. No, sir.

Mr. RICE. I have no further questions.

Senator KEFAUVER. What do you do now, sir?

Mr. ROSENWINKLE. I am a bricklayer. That was my trade before I went into the police department.

Senator KEFAUVER. Where?

Mr. ROSENWINKLE. I am working over at the National Plastic.

Senator KEFAUVER. Do you still live in this county?

Mr. ROSENWINKLE. Yes, sir; have been for 19 years.

Senator KEFAUVER. All right, that is all, sir. Thank you.

Sergeant Downs?

Mr. DOWNS. Yes, sir.

Senator KEFAUVER. Do you solemnly swear the testimony you give this committee will be the whole truth so help you God?

Mr. DOWNS. I do, sir.

Senator KEFAUVER. All right, Mr. Rice.

TESTIMONY OF ARTHUR T. DOWNS, SERGEANT, ANNE ARUNDEL COUNTY (MD.) POLICE

Mr. RICE. Your full name?

Mr. DOWNS. Arthur T. Downs.

Mr. RICE. Where do you live, Mr. Downs?

Mr. DOWNS. Ferndale.

Mr. RICE. I beg your pardon?

Mr. DOWNS. Ferndale.

Mr. RICE. Whereabouts in Ferndale?

Mr. DOWNS. 203 Wicklow Avenue.

Mr. RICE. And where are you employed, Mr. Downs?

Mr. DOWNS. Anne Arundel County police, Ferndale.

Mr. RICE. At Ferndale, Anne Arundel County. What is your capacity—sergeant?

Mr. DOWNS. Sergeant, yes sir.

Mr. RICE. And what are your duties?

Mr. DOWNS. What are my duties?

Mr. RICE. Yes. Are you a desk sergeant or a patrolman?

Mr. DOWNS. No, sir. I have a bunch of men that work on the outside—radio car.

Mr. RICE. In a radio car?

Mr. DOWNS. Yes.

Mr. RICE. And you supervise the activities of those men?

Mr. DOWNS. Yes, sir.

Mr. RICE. Going back to 1945 and referring to exhibit A, the police blotter, do you see some of your handwriting on there?

Mr. DOWNS. This is my handwriting here.

Mr. RICE. At that time you were then taking some complaints?

Mr. DOWNS. Four or five.

Mr. RICE. As a desk man. Now referring to the complaint of Mrs. Frankel on the 6th of May, do you recall receiving that complaint?

Mr. DOWNS. This is my handwriting here.

Mr. RICE. Yes, sir. Just tell us about what that was, what you remember about it. I realize it was back in 1945.

Mr. DOWNS. I don't know as I remember too much about it. That was back in 1945. That's been a long time ago. I take a lot of calls in a period of that time.

Mr. RICE. Yes, sir. Well, Mrs. Frankel, do you remember who she was?

Mr. DOWNS. No, sir; I wouldn't know Mrs. Frankel. If that is the complainant here. In other words, when they call in if you are working on the desk, you always get the complainant's name, and in fact you get all the information you can providing that they don't hang up before you get it all.

Mr. RICE. Would it help you to refresh your recollection any if it were suggested that possibly Mrs. Frankel had called from the White House Inn or White House Farm there on Hammonds Lane?

Mr. DOWNS. I know where that is; yes, sir.

Mr. RICE. Does that help you to remember any?

Mr. DOWNS. I tell you it is pretty hard to remember back that far back. Of course some of the men were over to the house and talked to me and they said it was in reference to a shooting, but here it is marked investigation on this complaint board here.

Mr. RICE. Tell us what you know about that time that you did get a complaint on the shooting over there from Mrs. Frankel. Do not worry about the date. Just tell us the story.

Mr. DOWNS. It is pretty hard to remember back that far just actually what did happen.

Mr. RICE. Let's see what you do remember. You know what the White House Inn is, don't you?

Mr. DOWNS. Yes, sir; I know where that is.

Mr. RICE. It is a gambling place, isn't it?

Mr. DOWNS. I don't know that; no, sir.

Mr. RICE. You never heard that?

Mr. DOWNS. No, sir.

Mr. RICE. In your opinion what is it?

Mr. DOWNS. As far as I am concerned, it is a private home.

Mr. RICE. Private home?

Mr. DOWNS. Yes, sir.

Mr. RICE. And Mrs. Frankel called you up one night at 2 o'clock in the morning. What did she tell you?

Mr. DOWNS. Well just as I say, that is pretty hard to remember. I tried to check on this thing yesterday, and of course we didn't have the complaint sheet. In other words, we can't check any records over the station unless we have this to go by. This is the original complaint brought down here.

Mr. RICE. You mark the original complaint on there. Then what do you do? Do you write up something else?

Mr. DOWNS. We dispatch a radio car to the scene.

Mr. RICE. What do you write up when you get the complaint?

Mr. DOWNS. It is working the desk, this is that we write up. We write up the person that called and the complaint and who you send on it, the date, time, and then there is a place there for report.

Mr. RICE. Going to that report part, is there a written report made?

Mr. DOWNS. Here it says a report. Now, I don't know whether it is a written report or not.

Mr. RICE. How do you tell?

Mr. DOWNS. I could check it at the station if I had this complaint to go by and see if it is a report in the files.

Mr. RICE. Didn't you say you did that yesterday?

Mr. DOWNS. No, sir; I didn't have this complaint sheet. You see, you have to have this sheet to get the name and all to follow through, and it has a number.

Mr. RICE. If you get the name and the number, what do you do?

Mr. DOWNS. Then you go into the file. The complaints are listed under like "Larceny," "Breaking and entering," and so forth like that; and then of course you would refer to that book and look for this number.

Mr. RICE. What book would you look in on that one?

Mr. DOWNS. This is marked "Investigation." That would come under book No. 1, which is "Miscellaneous."

Mr. RICE. You look in the miscellaneous book and what page would you look on there? Do you look under that number?

Mr. DOWNS. Yes, sir; we would look under the complainant's name and this number would be marked on the report.

Mr. RICE. What number is that?

Mr. DOWNS. No. 584.

Mr. RICE. No. 584. And is that a bound book?

Mr. DOWNS. What do you mean?

Mr. RICE. Are the complaints bound into the book? Are they written on pages that turn over?

Mr. DOWNS. No, sir; they are written on regular report pages and then filed in this book to be filed away. Of course we have a brown book, or reference book that we could take this name and number and find the report that has been filed away.

MR. RICE. I wonder if you would make a little notation of that name and number and see if you can locate that report and get in touch with us.

SENATOR KEFAUVER. Have you talked to one of the members of the staff here, Mr. Jackson and Mr. Smith?

MR. DOWNS. Yes, sir; I talked to both of them.

SENATOR KEFAUVER. Go ahead, Mr. Rice.

MR. RICE. Don't you recall telling them about you remembering that Mrs. Frankel called up and said there had been a shooting?

MR. DOWNS. Those two men came to my house and got me out of bed in the morning, about in the neighborhood of 11 o'clock, and they were referring to this case, and I told them that I couldn't answer any questions on it until I checked the records because it had been you know so long ago that I just couldn't remember, and they told me that they had taken it officially from the daily records of complaint, that it was marked on the board as a shooting.

Well, here it doesn't say that it is marked as a shooting. It says investigation. Well now, I told them if my name was signed to it and I had taken the complaint, that naturally I sent the radio car on it, because that is my duty working behind the desk when I receive a complaint to send police to answer it.

MR. RICE. Yes, sir. Now didn't you tell them something about remembering the call from Mrs. Frankel, what she told you?

MR. DOWNS. I told them that as far as remembering exactly what the call was about, I couldn't do it because I take a lot of complaints at the station, but if it was a reference to a shooting, well naturally I sent the radio car there. I sent Lieutenant Made down and Sergeant Flannery.

MR. RICE. What was it about the car that you told them about going to the hospital?

MR. DOWNS. As far as I know the car did not go to the hospital.

MR. RICE. What was that? What did the car do?

MR. DOWNS. I sent the car to Frankel's to answer the complaint and what the car did after that I don't know. I wouldn't be in a position to know anyway, working behind the desk.

Of course if they had called for assistance or if they were going to the hospital and if they had got to the hospital, they would have called and said they were at the hospital.

MR. RICE. Do you remember them doing that?

MR. DOWNS. No, sir.

MR. RICE. Do you remember telling anybody you heard them doing that?

MR. DOWNS. No, sir.

MR. RICE. Are you sure about that?

MR. DOWNS. Yes, sir.

MR. RICE. Do you remember the report that was turned in on that? What was the result of the call there? You took the call. You must have been interested in what happened there at 2 o'clock in the morning. What did they tell you happened?

MR. DOWNS. They didn't tell me anything that had happened. What I mean, they were dispatched on to the scene and it is up to the men in the radio car to carry from there. If they need assistance, they radio back and whatever assistance they need is sent from the desk.

Mr. RICE. You do not follow through in any way to find out what happened?

Mr. DOWNS. No, sir. I didn't follow it through. In other words, both of my superior officers were on a case and I never followed through at all.

Mr. RICE. Those were both your superior officers?

Mr. DOWNS. At that time, Sergeant Flannery and Lieutenant Wade.

Mr. RICE. I see. Now then, who is the custodian of the records of the county police now? Who keeps the records?

Mr. DOWNS. What do you mean, who files them?

Mr. RICE. Yes.

Mr. DOWNS. We have a secretary there who files them, Mrs. Squires.

Mr. RICE. Mrs. Squires?

Mr. DOWNS. Yes.

Mr. RICE. She takes charge of those now, is that right?

Mr. DOWNS. She takes charge of the filing; yes, sir. They are turned in to the chief, the same as they always were, and she does the filing.

Mr. RICE. When a report is made on any type of case, a written report, who reviews the report?

Mr. DOWNS. It goes to the chief. If it is made by the patrolman, then it goes through the sergeant in charge and from there it goes to the chief of police.

Mr. RICE. In any event, it always gets to the chief and at that time it was Chief Souers?

Mr. DOWNS. That is right.

Mr. RICE. What does he do with the reports? Does he put his initials on them?

Mr. DOWNS. They never used to, but here of late they had a stamp that they stamped, the chief's approval, and then it would come back and it would be filed away by Rosenwinkle. He was desk sergeant and he filed them away.

Mr. RICE. Did you ever discuss this with Souers?

Mr. DOWNS. No, sir; I never did.

Mr. RICE. Are you sure about that?

Mr. DOWNS. Positive.

Mr. RICE. You never discussed any part of this case with Souers?

Mr. DOWNS. No, sir.

Mr. RICE. Absolutely certain of that?

Mr. DOWNS. Positive. As far as I can remember I haven't discussed it with anyone.

Mr. RICE. How about did you talk it over with Wade or Flannery?

Mr. DOWNS. No, sir.

Mr. RICE. Never discussed this case from the time you gave them the complaint that there was something happened out at the White House to this day?

Mr. DOWNS. No, sir; I never have discussed it.

Mr. RICE. Did you ever hear the story that there was a report put in that there was a backfire out there?

Mr. DOWNS. Personally, I don't even remember ever reading the report on the case.

Mr. RICE. Well, of hearing about it?

Mr. DOWNS. No, sir; I never heard anything about the case.

Mr. RICE. It is a complete mystery to you what happened from the time you received the call——

Mr. DOWNS. That is right. You see, when they go on a call like that if it is a shooting, well, if somebody's got shot, naturally they are going to call back for help, and I never heard anything from the car, well I just completely ignored the call, that is from my standpoint.

Senator KEFAUVER. Mr. Jackson, do you want to ask any questions? You talked with him.

Mr. JACKSON. Sergeant Downs, you recall talking to Mr. Smith and I over at your house that day?

Mr. DOWNS. Yes, sir.

Mr. JACKSON. How long ago was that?

Mr. DOWNS. It was last week.

Mr. JACKSON. It was one day last week, isn't that correct?

Mr. DOWNS. That is right.

Mr. JACKSON. When you talked with us, do you recall saying that you remembered in connection with this call from the White House Inn that the radio car had called back into the station on the radio and told you that they were going into Baltimore, and you were then asked if the radio log would reflect that and you said no, that you wouldn't enter a thing like that on the radio log, that you just simply recall it. Do you recall that?

Mr. DOWNS. No, sir. If I send anything to the radio car, it would go to the radio log. You know that.

Mr. JACKSON. The question is do you remember telling——

Mr. DOWNS. No, sir; I did not tell him that.

Mr. RICE. You did not tell this man here, Mr. Jackson, that?

Mr. DOWNS. No, sir.

Mr. RICE. Did you have a discussion at all about that?

Mr. DOWNS. Discussion?

Mr. RICE. Yes, with Mr. Jackson.

Mr. DOWNS. They talked about the case over at my house; yes, sir.

Mr. RICE. About this radio car proposition, what was the conversation as you recall it?

Mr. DOWNS. First they asked me if I had called anybody for help, particularly Maryland State police, and I told them no, that I hadn't, and if I had I wouldn't have got much response anyway because we never do, and he wanted to know if I dispatched an ambulance, and I told him not as I could remember I didn't and he wanted to know if a car went to the hospital, and as far as I knew the car didn't go to the hospital, as far as I could remember.

Mr. RICE. Did you ever hear the name Sidney Rosen?

Mr. DOWNS. Sidney Rosen?

Mr. RICE. Yes.

Mr. DOWNS. Can't say I have; no sir.

Mr. RICE. Never heard of that name?

Mr. DOWNS. No, sir.

Mr. RICE. Never heard of Sidney Rosen being shot at the White House Inn?

Mr. DOWNS. No, sir.

Mr. RICE. Do you know Hymie Frankel?

Mr. DOWNS. No, sir.

Mr. RICE. Ever hear the name Hymie Frankel?

Mr. DOWNS. I have heard the name: yes, sir.

Mr. RICE. Who is he?

Mr. DOWNS. I don't know.

Mr. RICE. What did you hear about him?

Mr. DOWNS. He is supposed to live at that White House.

Mr. RICE. Who else lives at the White House?

Mr. DOWNS. I don't know, sir.

Mr. RICE. As far as you know it was just who, Hymie Frankel and his wife?

Mr. DOWNS. As far as I know: yes, sir.

Mr. RICE. Who did she say got shot?

Mr. DOWNS. I can't remember her saying anybody got shot.

Mr. RICE. What did she say as far as you can remember?

Mr. DOWNS. Just as I say, it is pretty hard to remember back that far, but it seems to me that when the State police were talking to me about it, that it was a call with reference to a shooting, but of course it is only marked investigation because nobody was actually shot as far as I know.

Of course when you receive a call like that you always dispatch a car regardless of whether it turns out to be anything or whether it don't, because you can't afford to take a chance on that.

Mr. RICE. Now if you did get a call that there was a shooting, would you put "investigation" or would you put "shooting"?

Mr. DOWNS. If anybody was actually shot. If they said somebody was shot, yes; it would be listed as a person shot.

Mr. RICE. How would you ever know that over the telephone?

Mr. DOWNS. By the complainant who calls in. If they call in and say somebody's been shot, well, we mark it down as somebody being shot and send a car to the point of destination.

Mr. RICE. Then the fact that you do have some recollection that there was something about a shooting, how do you account for it being marked "investigation"?

Mr. DOWNS. If they didn't say that somebody was shot, according to what the State police told me they come over to the house and got me out of bed and they said that the call came in and was listed on this board as a shooting. Now they brought the shooting to me. I didn't know anything about it, and frankly I told them I could not answer a question until I checked at the station, because I didn't know.

Mr. RICE. All right, sir: we would certainly appreciate it if you would check at the station. I take it you haven't done so since they talked to you?

Mr. DOWNS. No, sir. I went to check yesterday at this board which shows the complainant and the number and all to follow through, see, and you can't check a record without this.

Mr. RICE. That was a week ago they talked to you though?

Mr. DOWNS. That was a week ago; yes, sir.

Mr. RICE. Is that the first time you have been in the station?

Mr. DOWNS. No, sir; I have been working 12 days. We have a strike on there and we are very busy. In fact, we don't even have enough men to go around.

Mr. RICE. What caused you to go look for it yesterday?

Mr. DOWNS. Because I got a subpoena to come over here and I wanted to see the board to make sure of what was on this board because they

had told me what was on the board, but I actually haven't looked at it until just now.

Mr. RICE. All right, sir. I would certainly appreciate it if you would pull that report that you have a note on.

Mr. DOWNS. If there is a report there, I certainly will find it.

Mr. RICE. And give us a telephone call when you find that.

Mr. DOWNS. Who do I call?

Mr. RICE. Call Mr. Jackson.

Senator KEFAUVER. Senator Hunt, any questions?

Senator HUNT. No, I have no questions.

Senator KEFAUVER. Sergeant, this White House place there, do you know that to be a gambling joint?

Mr. DOWNS. No, sir; I don't.

Senator KEFAUVER. Didn't you see the McFarland report, the report of the McFarland Senate committee about them getting wire service there?

Mr. DOWNS. I saw that. After that came out; yes, sir. I saw it right in the newspapers.

Senator KEFAUVER. That has been some time ago, hasn't it, about a year ago?

Mr. DOWNS. About a year ago; yes, sir.

Senator KEFAUVER. And did you do anything about it then? Close it up?

Mr. DOWNS. I never; no, sir. I never even knew it was a gambling place there.

Senator KEFAUVER. What did you think that wire service was for?

Mr. DOWNS. I didn't know they had wire service until I read it in the paper.

Senator KEFAUVER. When you read it in the paper, did you go out then and close the place up?

Mr. DOWNS. No, sir.

Senator KEFAUVER. Why didn't you?

Mr. DOWNS. There wasn't anything to close up as I know of.

Senator KEFAUVER. That was April 1950. Apparently they had service up until January 1951. They may still have it, I don't know. Didn't you think you ought to go out and see if it was a gambling place?

Mr. DOWNS. As far as I could tell, there as no gambling place as far as I could see.

Senator KEFAUVER. What did you do about seeing?

Mr. DOWNS. I used that route by there a good deal when we go to school detail and all that.

Senator KEFAUVER. Did you go in there to see what was going on?

Mr. DOWNS. No, sir; it is a private home. I didn't go into the house.

Senator KEFAUVER. You thought it was a private home?

Mr. DOWNS. That is what it appears to be; yes, sir.

Senator KEFAUVER. It has had a reputation of being a notorious gambling place for years, hasn't it?

Mr. DOWNS. Not to my knowledge, it hasn't; no, sir.

Senator KEFAUVER. Do you know the people that live there in the house?

Mr. DOWNS. No, sir; I don't know the people. I wouldn't know them if they were brought in here tonight.

Senator KEFAUVER. Do you know their names?

Mr. DOWNS. Frankel was living in there as far I know.

Senator KEFAUVER. And you never knew in your life that that was a gambling place?

Mr. DOWNS. No, sir.

Senator KEFAUVER. What did you think when you read in the paper about them having wire service?

Mr. DOWNS. It was a surprise to me as far as I am concerned because I didn't know it was a gambling place there. In fact I didn't know of any that is in the county.

Senator KEFAUVER. Didn't you think you should have made some inquiry about it after you heard about the wire service?

Mr. DOWNS. It is hard to tell anything about it. Of course just as I say, I have been by it a number of times. As far as I could see I can't see where it was wire service in there. Of course if it was there—

Senator KEFAUVER. Didn't you see a lot of cars parked around?

Mr. DOWNS. No, sir.

Senator KEFAUVER. All right, any other questions?

Mr. RICE. No further questions.

Senator HUNT. I want to ask one. Is it your duty if you suspicion some information that you see either in the press or from any other source of things that are going on, do you consider it your duty to investigate and find out?

Mr. DOWNS. Yes, sir; it is up to the police and the superior officers, sure. That is what we are for.

Senator HUNT. You do not consider it your personal obligation and duty as a member of the police force to go in and investigate?

Mr. DOWNS. Yes, sir.

Senator HUNT. Why didn't you do it in this case?

Mr. DOWNS. Well, it is not a known policy for police to go into people's private homes just with no reason to go in there with. In other words, if you have a warrant or something for somebody, you go in. Of course if you check from the outside and you can find something that is going on that is illegal—

Senator HUNT. When you have sworn testimony before a Senate committee that certain wire services are used only for the purpose of gambling going on in any kind of a structure, whether it is a business house or private residence or whatever it is, what more could a person want to make an investigation than that?

Mr. DOWNS. I have never been in it personally. I have of course been by it a number of times.

Senator HUNT. Is it on your beat, under your jurisdiction?

Mr. DOWNS. Yes.

Senator HUNT. What are you going to do about it now?

Mr. DOWNS. If it is running, it is going to get closed up.

Senator KEFAUVER. How are you going to find out if it is running or not?

Mr. DOWNS. If all you say it is running, I will go up there and look. As far as that is concerned, I am in charge of the territory there while I am working now. Of course I wasn't at the time. I wasn't in '45.

Senator KEFAUVER. It is pretty late, but it might be worth while going by. I do not know if it is running or not. It did run a long time. Anything else, Senator Hunt?

Senator HUNT. No, that is all.

Senator KEFAUVER. Mr. Rice?

Mr. RICE. That is all. You will get in touch with us, Sergeant.

Senator KEFAUVER. Thank you, Sergeant.

Mr. DOWNS. You are welcome, sir.

Mr. RICE. Get in touch with us either way, if you do find out or if you do not find out. I certainly hope you do find it.

Mr. DOWNS. If it is there I will find it because all the things are in that record.

Senator KEFAUVER. Sergeant, do you swear the testimony you give the committee will be the whole truth, so help you, God?

Mr. FLANNERY. Yes, sir.

Senator KEFAUVER. All right, let us get on.

**TESTIMONY OF ROBERT L. FLANNERY, SERGEANT, ANNE
ARUNDEL COUNTY (MD.) POLICE**

Mr. RICE. What is your full name?

Mr. FLANNERY. Robert L. Flannery.

Mr. RICE. How do you spell the Flannery?

Mr. FLANNERY. F-l-a-n-n-e-r-y.

Mr. RICE. Where do you live?

Mr. FLANNERY. Sudley. That is close to Linthicum Heights. This name is wrong here.

Mr. RICE. What is your street address?

Mr. FLANNERY. I live on Lyman Avenue.

Mr. RICE. What number?

Mr. FLANNERY. Don't have any number. It is in the country.

Mr. RICE. Where do you work?

Mr. FLANNERY. Ferndale.

Mr. RICE. In Ferndale?

Mr. FLANNERY. Yes, sir.

Mr. RICE. For whom?

Mr. FLANNERY. At Anne Arundel County Police.

Mr. RICE. And what is your job on the police? Is it a sergeant?

Mr. FLANNERY. Yes, sir, I am a sergeant now.

Mr. RICE. How long have you been with the Anne Arundel County Police?

Mr. FLANNERY. Ever since it started. It is about, I would say—well, there was police before we started the police department. About 17 years, sir.

Mr. RICE. Have you always been a sergeant?

Mr. FLANNERY. No, sir. I was the deputy sheriff 4 years before that.

Mr. RICE. What are your duties now, Mr. Flannery? Are you in charge of the vice squad?

Mr. FLANNERY. No, sir; I have a shift of uniformed police.

Mr. RICE. You supervise them?

Mr. FLANNERY. Yes, sir, to a certain extent.

Mr. RICE. And in what area of the county?

Mr. FLANNERY. Well, we take care of the third, fourth, and fifth districts.

Mr. RICE. Going back to 1945 in May, we have a report and some information relating to a complaint that was received from Mrs.

Frankel out there at the White House Inn on May 6 about something that had happened about 2 o'clock in the morning and you, and I guess it was Sergeant Wade or Lieutenant Wade—

Mr. FLANNERY. Lieutenant Wade.

Mr. RICE. Went out there and made a report. Tell us about that.

Mr. FLANNERY. I didn't make any report. I can tell you that to start with. I brought our what-do-you-call-it over from '45. I looked in there. In other words, the numbers checked.

Mr. RICE. Before you looked there, tell us what happened.

Mr. FLANNERY. I think we were at the station house. Anything that I say, what I don't remember I cannot testify to.

Mr. RICE. Yes, sir.

Mr. FLANNERY. That is back 6 years ago.

Mr. RICE. Yes, sir.

Mr. FLANNERY. I think we were at the station house when the call came in. I don't know what the call was, whether it was to investigate a shooting or what it was from what information I got from the two sergeants.

Mr. RICE. Who got the call, do you remember?

Mr. FLANNERY. Officer Downs. He was working the desk. There was only three of us that worked the night shift. We didn't do any cruising because we didn't have no men to cruise with, so Lieutenant Wade and I went up there.

Mr. RICE. What did Sergeant Downs tell you that he had heard over the phone?

Mr. FLANNERY. I don't know.

Mr. RICE. He told you to go somewhere?

Mr. FLANNERY. Oh, yes; White House Inn. go up to the White House Inn.

Mr. RICE. To do what?

Mr. FLANNERY. But I say I don't know what he said, investigate a shooting or what he said. I don't remember no more.

Mr. RICE. What is your impression now?

Mr. FLANNERY. What is my impression now after what the sergeant told me? Well, it was a shooting.

Mr. RICE. What was the impression then?

Mr. FLANNERY. Well, I had no dealings with the White House Inn previous to that. The only thing I can testify to that in 1941 there was a walkathon at Brooklyn. I don't know whether you remember that or not.

Senator KEFAUVER. There was a what?

Mr. FLANNERY. A walkathon.

Mr. RICE. One of these dance marathons.

Mr. FLANNERY. That is right, and at that time a man came in there who said his name was Herman and he was supposed to own the White House Inn.

Mr. RICE. Herman?

Mr. FLANNERY. Yes. Now previous to that I know a man by the name of Warren owned it because he had a tavern there.

Mr. RICE. And there was a tavern there?

Mr. FLANNERY. Yes, sir.

Mr. RICE. Was there when Herman had it?

Mr. FLANNERY. I don't know. It was supposed to be a rooming house.

Mr. RICE. A rooming house?

Mr. FLANNERY. Yes.

Mr. RICE. Any gambling?

Mr. FLANNERY. A rooming house or an apartment house.

Mr. RICE. Any gambling?

Mr. FLANNERY. Not to my knowledge.

Mr. RICE. Is Herman supposed to be a gambler?

Mr. FLANNERY. Sir?

Mr. RICE. Herman was a gambler, wasn't he? He was convicted over there in Baltimore, wasn't he?

Mr. FLANNERY. I don't know.

Mr. SMITH. Wasn't the rumor——

Mr. FLANNERY. No.

Mr. SMITH. Didn't you say there was a rumor there was gambling there?

Mr. FLANNERY. No, sir; I don't know none of them guys, sir. You have asked me about a couple of men, but I don't know, truthfully.

Mr. RICE. Then Sergeant Downs told you something happened out there. Did he tell you to go out there and prepare to quell a riot or stop a holdup? What did he tell you to look for?

Mr. FLANNERY. I would like to answer it, but I don't want to lie, I want to tell you the truth, but I don't know what he told us, I really don't.

Mr. RICE. What do you remember doing?

Mr. FLANNERY. I know I went up there. I don't even remember if I drove the car or if Lieutenant Wade drove the car. I don't remember that.

Mr. RICE. You went out there and what happened?

Mr. FLANNERY. Yes, sir; we went out there and as best as I can remember there was a woman and a man on the porch.

Mr. RICE. Who were they?

Mr. FLANNERY. Sir?

Mr. RICE. Who were they?

Mr. FLANNERY. I don't know. I don't know. I don't know who they were, but it seemed to me there was a man and a woman on the porch. I told the sergeants here the other day when I was talking to them I don't even know whether I got out of the car; if Lieutenant Wade says I got out of the car, why I got out. If I went to the porch I went to the porch. I don't know what I done, but the assumption was that there was a car that backfired and that is all.

Mr. RICE. We are not interested in assumptions.

Mr. FLANNERY. I mean that is what was told. Now whether I heard them say it or whether Lieutenant Wade told me I don't know.

Senator HUNT. Will you have him explain what he means by back-fire?

Mr. RICE. It is a little difficult to understand, Sergeant. You went out looking for some trouble, I take it.

Mr. FLANNERY. That is right.

Mr. RICE. Did you draw your gun and get ready to——

Mr. FLANNERY. Oh, no.

Mr. RICE. What did you do when you got there, surround the place?

Mr. FLANNERY. We would go right to the house where the trouble comes from. We have to go there to get the information on what took place.

Mr. RICE. And two people are standing on the porch?

Mr. FLANNERY. That is right.

Mr. RICE. What were they doing?

Mr. FLANNERY. I know it was a man and a woman. Whether there was any more people there or not—I mean it wasn't any crowd of people but it could have been a couple of more people, I don't know, but it seemed to me there was a man and woman on the front porch.

Mr. RICE. Standing up or lying down?

Mr. FLANNERY. Standing up.

Mr. RICE. Both of them?

Mr. FLANNERY. Yes, sir; and they told us that a car had backfired on the road, which was about 50 yards from there.

Mr. RICE. They said a car had backfired?

Mr. FLANNERY. Yes, sir.

Mr. RICE. And what did that have to do with the case?

Mr. FLANNERY. That is all there was to it as far as we was concerned.

Mr. RICE. You mean you want us to take it that the car had backfired and scared them and they called you up?

Mr. FLANNERY. That is what she said. She said she thought it was somebody shooting.

Mr. RICE. But no one was shot?

Mr. FLANNERY. Not to my knowledge. Only what the sergeant told me.

Mr. RICE. Did you take their names?

Mr. FLANNERY. No, sir; I did not.

Mr. RICE. What did you do next?

Mr. FLANNERY. We went on back to headquarters.

Mr. RICE. Are you sure about that?

Mr. FLANNERY. Yes, sir.

Mr. RICE. Are you sure you did not go to the hospital?

Mr. FLANNERY. No, sir; positively as true as I sit in this chair. I know that. I told these men the other day that if Lieutenant Wade said I went up on the porch, I went up on the porch, but as far as going in the place, I know positively I was not in the place, but if he says I came to the edge of the porch or sat in the car or whatever he said, I would have to agree with that because I really don't know.

Mr. RICE. Suppose Sergeant Downs remembers that you all called back and told him you were going to the hospital on the radio. You had a radio car, didn't you?

Mr. FLANNERY. Well, Sergeant Downs is wrong; I am sorry.

Mr. RICE. Why do you say that?

Mr. FLANNERY. All these reports are in here. In other words, if we get a call from the hospital—I got nothing to hold back for. I don't have to protect nobody. I am just as clean as a pin and I want all you men to know that. These sergeants here have both been in my house and they have seen what conditions are there.

Mr. RICE. What do the reports say?

Mr. FLANNERY. I just thought maybe questioning would come up whether a report was pulled out of there.

Mr. RICE. Yes.

Mr. FLANNERY. But the numbers run in rotation so there can't be no report pulled out of there. I didn't know if there was a report, I told you that.

Mr. RICE. Do you have the report there?

Mr. FLANNERY. No, sir; no report there. There is no report **there**. I know I didn't make any, see.

Mr. RICE. Well, now on this exhibit here it is indicated that a report was made on a No. 584. Do you have that report?

Mr. FLANNERY. No, sir.

Mr. RICE. What do you have?

Mr. FLANNERY. We have the report on that day, but nothing from that number.

Mr. RICE. What report do you have on that day?

Mr. FLANNERY. None at all, as far as I am concerned.

Mr. RICE. What do you have here?

Mr. FLANNERY. I just want to show you this part.

Mr. RICE. What do these numbers relate to here, these numbers down the side?

Mr. FLANNERY. They relate to the book.

Mr. RICE. They relate to the book?

Mr. FLANNERY. There is a book that goes with this. You look in the book for a name and you get that number.

Mr. RICE. What book would this be in, this Frankel report?

Mr. FLANNERY. If there was a report made on it, it should be in this.

Mr. RICE. What book do you call that?

Mr. FLANNERY. I think it is 3.

Mr. RICE. Book No. 3?

Mr. FLANNERY. Three; yes, sir.

Mr. RICE. Now when you get book 3, what do you look at?

Mr. FLANNERY. You look for the complainant.

Mr. RICE. You look for the complainant. What does this number refer to?

Mr. FLANNERY. That just keeps going for over a whole period of a year. In other words, that is just a call number.

Mr. RICE. The call number isn't put on here anywhere?

Mr. FLANNERY. No; we do it now. That call number is put up here. In other words, it is a different system altogether. It is a little better. We have a little ticket on each call now.

Mr. RICE. Now then, you look in the book for the report on that date under the complainant's name?

Mr. FLANNERY. That is right; yes, sir.

Mr. RICE. Now have you looked for a complaint by Mrs. Frankel?

Mr. FLANNERY. Yes, sir.

Mr. RICE. And what was the result of your looking?

Mr. FLANNERY. There is no report.

Mr. RICE. How do you account for that?

Mr. FLANNERY. I don't know, sir. I know I never made none out.

Mr. RICE. Whose duty was it to make the report?

Mr. FLANNERY. Well, I don't know. I guess it would be mine.

Mr. RICE. You say you know you never made none out?

Mr. FLANNERY. I know I never made none out; yes, sir.

Mr. RICE. Why do you know that?

Mr. FLANNERY. Because I didn't. In other words, it was a backfire and it didn't seem like to me it needed a report made on that. You know the answer now. I didn't know the answer then. If I had known the answer then, by God, it would have been a different story. I got nothing to fear or protect no one.

Mr. RICE. Aren't you supposed to make a report on all cases you investigate?

Mr. FLANNERY. No, sir; we are not, not if it is not worth while, we don't have to make a report.

Mr. RICE. How about this report here, 583, an auto accident, the same two officers, the same day, just a little bit before. Did you make a report on that?

Mr. FLANNERY. Yes; I did.

Mr. RICE. Let us see if you can find that.

Mr. FLANNERY. It is not in this book. In other words, an automobile accident would come under book 4. Miscellaneous would be book 2. In other words, it is all filed in different books. Do you understand this, Sergeant, how it is supposed to be?

Mr. RICE. So it would be in another book.

Mr. FLANNERY. Yes, sir. In other words, a missing person would come under—

Mr. RICE. Any of the things here that would appear in this book?

Senator KEFAUVER. Well, let us get on.

Mr. RICE. Well, now here is one thing I would like to know, Sergeant. I see here that on some of these it is indicated "no report." What does that mean?

Mr. FLANNERY. There is no report. I don't even know who wrote that in there.

Mr. RICE. Here is one that says "report."

Mr. FLANNERY. I don't know who wrote that in there. It could be a report.

Mr. RICE. Sergeant Downs wrote that.

Mr. FLANNERY. He said he did? I don't know.

Mr. RICE. Why in some cases do you put in "no report" and in some cases you put "report," but you say you don't have a report?

Mr. FLANNERY. When it is marked "report" it is supposed to be a report.

Mr. RICE. So where it is marked "report" it is supposed to be one?

Mr. FLANNERY. Yes, sir.

Mr. RICE. Wouldn't it have been very simple in this case to just write "no report"?

Mr. FLANNERY. Yes, sir; it would have been.

Mr. RICE. Why didn't you do that?

Mr. FLANNERY. I don't know.

Mr. RICE. You just cannot account for that?

Mr. FLANNERY. No, sir; there is no reason at all for it to be marked "no report" if it was a report.

Senator KEFAUVER. Mr. Flannery, information that we have is that this White House Inn has been operating out there as a notorious gambling place for many, many years. Did you know that?

Mr. FLANNERY. I don't believe that.

Senator KEFAUVER. You do not believe it?

Mr. FLANNERY. No, sir.

Senator KEFAUVER. How long did it operate as a gambling place?

Mr. FLANNERY. I think it operated off and on. As I explained before, we only had one or two cars. You understand what I mean.

Senator KEFAUVER. But you knew it was operating off and on as a gambling place. When was it operating as a gambling place?

Mr. FLANNERY. I don't know.

Senator KEFAUVER. Is it operating now as a gambling place?

Mr. FLANNERY. Not to my knowledge.

Senator KEFAUVER. Have you been out to see?

Mr. FLANNERY. No. I was placed there when I worked day. Well, last week—

Senator KEFAUVER. Did you go in to see whether it was operating?

Mr. FLANNERY. Me?

Senator KEFAUVER. Yes.

Mr. FLANNERY. No, sir; I have never been in the place, sir.

Senator KEFAUVER. Don't you go in and make any inquiry as to whether it is being operated as a gambling place? Do you shy away from gambling places?

Mr. FLANNERY. No, I don't. Let me put you straight on that. In other words, 215 Selby Road, there was a book running there with a cleaning establishment combined and we got that. Now I am a uniformed man and a uniformed man can't do anything. It takes a man in plain clothes to do that kind of work, and whatever we get we turn over to the vice squad and let them investigate.

Of course this was a little one down in North Linthicum and we got that. He was a local man. He was hard to get but we got him. 215 Selby Road, that was a—we got them.

Senator KEFAUVER. You knew this Hymie Frankel, did you not?

Mr. FLANNERY. No, sir, I don't.

Senator KEFAUVER. You never knew him?

Mr. FLANNERY. No, sir.

Senator KEFAUVER. Did you read this report about them having wire service at the White House Inn?

Mr. FLANNERY. No, sir. Well, I explained to the sergeant the other day I might be a dumb country police. I have never had any schooling, but when this Commission started, when they started talking about wires, I commenced looking for it.

Senator KEFAUVER. Where did you look?

Mr. FLANNERY. On the poles, different places, and whatever I spotted I turned over to the vice squad to have them check.

Senator KEFAUVER. Did you go out and look around the White House Inn to see whether they had wire service?

Mr. FLANNERY. They had a chunk of wires in there, but now whether they were going to the people living in there or whether it was going to a book, I don't know.

Senator KEFAUVER. Did you report that to the vice squad?

Mr. FLANNERY. Yes, sir.

Senator KEFAUVER. You did?

Mr. FLANNERY. Yes. Every place I find I report to them.

Senator KEFAUVER. Did you report the fact that you saw a lot of wires going in there to the vice squad?

Mr. FLANNERY. Yes, sir.

Senator KEFAUVER. How did you report it, orally or in writing?

Mr. FLANNERY. Yes; I tell them.

Senator KEFAUVER. Who did you tell?

Mr. FLANNERY. Officer Wellham is a very good friend of mine. He is on the vice squad.

Senator KEFAUVER. What did he do about it?

Mr. FLANNERY. I imagine he checked it. Now I don't know what he done. I know when I gave him 215 Selby Road, he checked that

and reported back they were in there and went over and got them. In other words, he went down and got a search warrant.

Senator KEFAUVER. Did you tell Mr. Souers about it? Officer Souers?

Mr. FLANNERY. He wasn't our chief then. Colonel Bratton is our chief now.

Senator KEFAUVER. He was the chief when the White House was going full blast?

Mr. FLANNERY. I don't know about that.

Senator KEFAUVER. You knew there was gambling in there off and on?

Mr. FLANNERY. I don't say I knew it, but I don't know it. I have suspicions it was there.

Senator KEFAUVER. You heard about it?

Mr. FLANNERY. Here and there; yes, sir. In other words, I can get more of what is going in another county than what I can get in my own county.

Senator KEFAUVER. I do not understand that, but that is an interesting statement. Why is it you cannot get what is going on in your own county?

Mr. FLANNERY. Anything that is violating the law don't go up and tell the police, Senator.

Senator KEFAUVER. I know, but you are supposed to get out and find out who is violating the law.

Mr. FLANNERY. Yes, we have cruisers now, but we did not have them before. When I was a policeman in that county, I used my own car.

Senator KEFAUVER. How come you went out there to see whether they had wires in there or not?

Mr. FLANNERY. I went all around through Brooklyn.

Senator KEFAUVER. You read about it in the paper?

Mr. FLANNERY. Yes, sir, and I watched your committee work on the television and I went around and checked every place I could check. In fact I sat on one and watched it, but I never saw nothing, but I had a police car with a sign on top of it, and I guess that is the reason.

Senator KEFAUVER. Did you go up and knock on the door and make any inquiry?

Mr. FLANNERY. No, sir.

Senator KEFAUVER. Did not do that?

Mr. FLANNERY. No, sir.

Senator KEFAUVER. Did you ever go in the place?

Mr. FLANNERY. No, sir; never been in in my life. I don't play no horses. I don't play no numbers.

Senator KEFAUVER. I was not expecting you to go in there to play. I was expecting you to go in and close the place up.

Mr. FLANNERY. I would rather catch them than close them up.

Senator KEFAUVER. Rather catch them?

Mr. FLANNERY. Yes, sir.

Senator KEFAUVER. You could catch them and close them up too, couldn't you?

Mr. FLANNERY. Not without a search warrant I couldn't go in there and do that.

Senator KEFAUVER. And you think that a report by a Senate committee to the effect that there was wire service in there would be a sufficient reason for you to get a search warrant or make some investigation?

Mr. FLANNERY. Senator, I do not know much about a search warrant. They tell me a search warrant is right tough. We got a search warrant on a numbers case and we lost it in the court.

Senator KEFAUVER. All right, anything else?

Mr. RICE. Yes, I have some questions. Is there a county police organization?

Mr. FLANNERY. Yes, sir.

Mr. RICE. What is the name of that organization? What is it?

Mr. FLANNERY. I think it is called the police association.

Mr. RICE. Are you a member of that?

Mr. FLANNERY. Yes, sir.

Mr. RICE. Are you an officer of that?

Mr. FLANNERY. No, sir, I can't be an officer.

Mr. RICE. But you have attended some meetings of that?

Mr. FLANNERY. Yes, sir.

Mr. RICE. At Ferndale?

Mr. FLANNERY. Yes, sir.

Mr. RICE. And do you remember some time back talking around the time of one of those meetings about the protection in the county, who was taking care of the protection?

Mr. FLANNERY. Who was taking care of the protection?

Mr. RICE. Yes.

Mr. FLANNERY. No.

Mr. RICE. Are you sure about that?

Mr. FLANNERY. Positive.

Mr. RICE. What do you know about the protection for gambling in the county?

Mr. FLANNERY. I don't know anything.

Mr. RICE. Are you sure about that?

Mr. FLANNERY. Positive.

Mr. RICE. Are you sure you haven't talked about that?

Mr. FLANNERY. No, sir, I haven't.

Mr. RICE. Do you know a man by the name of Taylor?

Mr. FLANNERY. Who?

Mr. RICE. Taylor.

Mr. FLANNERY. Taylor?

Mr. RICE. Taylor.

Mr. FLANNERY. What is his first name?

Mr. RICE. Well, you know him.

Mr. FLANNERY. No, sir, I am sorry.

Mr. RICE. You do not know anybody by the name of Taylor?

Mr. FLANNERY. I know people by the name of Taylor, but I was just trying to find out who. Taylor with the railroad, he has been with us for years right there in Glen Burnie. I know some Taylors that play ball down in Severn. I know them.

Mr. RICE. Do you remember telling any of those Taylors about who was taking care of the protection in the county?

Mr. FLANNERY. No, sir. I couldn't do it. I don't know. That is impossible.

Mr. RICE. It was not impossible.

Mr. FLANNERY. I mean for me to tell him, because I do not know.

Mr. RICE. How about this place out here at Barbara Farms at Laurel. Do you know about that?

Mr. FLANNERY. No, sir, I can't answer on that either. I can explain something about it if you want to listen.

Mr. RICE. Yes, sir.

Mr. FLANNERY. All right. On my shift I have the best part of the time, seven men and myself.

Mr. RICE. You mean you can explain why you do not know about it?

Mr. FLANNERY. Yes.

Mr. RICE. I am not interested in that. Explain what you do know about it. How about the Knotty Pine?

Mr. FLANNERY. I know that is over there and I know it is a tavern. As far as knowing anything, I don't know anything.

Mr. RICE. You do not know about any gambling that goes on at Knotty Pine?

Mr. FLANNERY. No, sir, positively.

Mr. RICE. Let us make it perfectly plain then that you have never discussed protection or payoff with anyone.

Mr. FLANNERY. No, sir, that is right.

Mr. RICE. Particularly at or around the time of the meeting of the policemen's association at Ferndale?

Mr. FLANNERY. That is right.

Mr. RICE. That does not help you any to refresh your recollection?

Mr. FLANNERY. No, sir.

Senator KEFAUVER. Now this White House Inn, is that inside the city limits of Ferndale?

Mr. SMITH. No, sir.

Mr. FLANNERY. It is in the county.

Mr. SMITH. It is in what they call the fifth district near Baltimore, near the Baltimore city line. It is in his patrol, though.

Senator KEFAUVER. All right, any other questions, Mr. Rice?

Mr. RICE. No further questions.

Senator KEFAUVER. That is all, thank you.

Mr. RICE. I think, Sergeant, you will remain under subpoena. We will get in touch with you when we want to talk with you again.

Senator KEFAUVER. Who is next?

Mr. RICE. Captain Wade.

Senator KEFAUVER. Captain Wade?

Mr. WADE. Yes, sir.

Senator KEFAUVER. Do you swear the testimony you give this committee will be the whole truth so help you God?

Mr. WADE. I do, sir.

Senator KEFAUVER. All right, Mr. Rice, let us get to the point.

TESTIMONY OF WILBUR C. WADE, CAPTAIN, ANNE ARUNDEL COUNTY (MD.) POLICE DEPARTMENT

Mr. RICE. What is your full name?

Mr. WADE. Wilbur C. Wade.

Mr. RICE. Sit down there, Mr. Wade, please. And where do you live, Mr. Wade?

Mr. WADE. Millersville.

Mr. RICE. Whereabouts in Millersville?

Mr. WADE. I live near Andersons Corner.

Mr. RICE. What is your address there?

Mr. WADE. Millersville.

Mr. RICE. Yes. You do not have any street address?

Mr. WADE. No, sir. I live on a little back road. It cuts through the highway to Fort Meade road.

Mr. RICE. What is your job?

Mr. WADE. I am captain of the Anne Arundel County Police Department.

Mr. RICE. How long have you been with the Anne Arundel County police?

Mr. WADE. I first became a special officer June 6, 1930, and when the police department was organized in 1937, of course I went to Ferndale, worked at headquarters. Prior to that time I worked as part-time officer.

Mr. RICE. And are you now a captain?

Mr. WADE. Yes, sir, I am.

Mr. RICE. And as captain what is your jurisdiction?

Mr. WADE. Well, I have jurisdiction over the entire county, Anne Arundel County.

Mr. RICE. Are you in charge of the vice squad?

Mr. WADE. Well, Colonel Bratton right now——

Mr. RICE. He is the chief of police?

Mr. WADE. He is the new chief of police and is taking care of that end of it.

Mr. RICE. He is taking care of it?

Mr. WADE. Yes, sir.

Mr. RICE. Was that ever your duty, to take care of that?

Mr. WADE. Well, I worked in plain clothes before the vice squad was organized and that was some time in January.

Mr. RICE. Going back over the years, have you ever been in charge of the vice squad?

Mr. WADE. No, sir. We worked in plain clothes the last 2 years, since the Mahlon-Kline murder case. We had no vice squad. Sergeant Praley and I were the two plain-clothes men. We were the only two plain-clothes men.

Mr. RICE. You were the only two, you and Sergeant Praley?

Mr. WADE. Yes.

Mr. RICE. And that was under Chief Souers?

Mr. WADE. Yes.

Mr. RICE. I see. Now back in 1945 you were working with Sergeant Flannery one night, I think it was May 6, when Sergeant Downs received a telephone call from Mrs. Frankel. Tell us about that. You and Sergeant Flannery went out on this complaint?

Mr. WADE. As near as I can recall, we were in the station that night when Downs received a call and Sergeant Flannery and I went over there to make an investigation.

Mr. RICE. What did Sergeant Downs tell you had happened over there?

Mr. WADE. He says it is supposed to be a shooting over there. When we arrived——

Mr. RICE. Did he say what kind of a shooting?

Mr. WADE. No, he didn't. He said there was a call from the White House supposed to be a shooting up there, so we went over.

Mr. RICE. What was the White House?

Mr. WADE. The White House is a lodge, about 14-room house, I guess, on Hammonds Lane, located about a half mile off the Governor Ritchie Highway.

Mr. RICE. Did you say it was a gambling house?

Mr. WADE. I didn't say it was a gambling house.

Mr. RICE. Was it a gambling house?

Mr. WADE. It was reported from time to time that there was gambling there; yes, sir.

Mr. RICE. And Sergeant Downs said there was a shooting over there?

Mr. WADE. Yes, sir.

Mr. RICE. Did you go get a shotgun or a tommy gun?

Mr. WADE. No, sir.

Mr. RICE. What did you do?

Mr. WADE. We went over there, proceeded over there the same as we would on any other call, and when we drove in we pulled up there to the side of the house, that would be the west side of the house, and went over and there was a man and a woman standing there on the porch.

I asked them where the shooting was so they said there wasn't any shooting. I said, "Well, we just received a call at headquarters about a shooting up there at the White House." They said, "Well, it must have been an automobile backfired going down the road." I said, "Well, can't you tell the difference between a backfire and a shot?" Well, they said they seen nobody out there and we checked around and there wasn't anything there, and we went on back.

Mr. RICE. Were they the people that called up?

Mr. WADE. Well, I assume they were.

Mr. RICE. Did you find out who they were?

Mr. WADE. Well, there is usually three or four families live in that house. If I am not mistaken it was Mrs. Frankel that was standing on the porch.

Mr. RICE. You knew Mrs. Frankel; did you not?

Mr. WADE. No; I did not.

Mr. RICE. Wife of Hymie?

Mr. WADE. I didn't know her; no, I didn't.

Mr. RICE. You assume it was her, you say?

Mr. WADE. I seen her that night.

Mr. RICE. Who was the man?

Mr. WADE. I don't recall whether it was her husband or not. More than likely it was.

Mr. RICE. Hymie?

Mr. WADE. It's been 6 years ago and it is hard to remember.

Mr. RICE. Sure. Did you see a Rosen?

Mr. WADE. No, sir; I didn't.

Mr. RICE. Do you know who Rosen is?

Mr. WADE. I don't know who Rosen is.

Mr. RICE. You never saw Rosen?

Mr. WADE. No, sir.

Mr. RICE. So that Hymie Frankel and his wife are standing on the porch?

Mr. WADE. Yes, sir.

Mr. RICE. And did you say, "Are you the people that called up?"

Mr. WADE. That is right.

Mr. RICE. What did they say?

Mr. WADE. They said, "Yes, we did." I said, "Well, what did you call for? There is supposed to be a shooting here." She said, "Well, we thought it was some shooting out here but it must have been an automobile backfiring," and that is when I asked them, I said, "Can't you determine between a shot and a backfire of an automobile," and they didn't say whether they could or couldn't. I said, "After all, you called, and said there was a shooting over here."

Mr. RICE. Did they have their clothing on, their night clothes?

Mr. WADE. Well, they were standing there on the porch. I guess they were. If it hadn't been, I would have noticed it.

Mr. RICE. You mean they did have their clothing on?

Mr. WADE. I would say they had, yes sir.

Mr. RICE. Two or three o'clock in the morning?

Mr. WADE. I don't recall what time it was.

Mr. RICE. The report shows you received it at 2:10 a. m. Now then, Sergeant Flannery went with you, you say?

Mr. WADE. Yes, sir; he was with me.

Mr. RICE. Did he go up on the porch with you?

Mr. WADE. Well, we pulled the car right there at the edge of the porch. It is only I guess 25 or 30 foot from the porch to the driveway.

Mr. RICE. Did he participate in the conversation?

Mr. WADE. As near as I can recall he was with me.

Mr. RICE. You were together?

Mr. WADE. Sir?

Mr. RICE. You were together?

Mr. WADE. That is right.

Mr. RICE. You both went up there and talked?

Mr. WADE. That is right, sir.

Mr. RICE. What did you decide to do about it?

Mr. WADE. Well, we took it for granted there wasn't anything to it. We looked around, went through the yard and came back to Ferndale.

Mr. RICE. Didn't you have a radio car?

Mr. WADE. Yes, sir; we did.

Mr. RICE. Didn't you radio back to Sergeant Downs and tell him you had to go over to the hospital?

Mr. WADE. No, sir.

Mr. RICE. Are you sure about that?

Mr. WADE. No, sir.

Mr. RICE. If either Sergeant Flannery or Sergeant Downs or someone said that happened, they would be wrong?

Mr. WADE. No, sir.

Mr. RICE. They would not be wrong?

Mr. WADE. I don't know whether they told you that or not, but it is just not true. I never went to any hospital or received any call to go to any hospital.

Mr. RICE. What sort of report did you make on that case?

Mr. WADE. There wasn't any report made on it to the best of my knowledge.

Mr. RICE. Why do you say that?

Mr. WADE. Well, because there wasn't anything to it. If there had been a report there would have been an investigation made and also a report submitted.

Mr. RICE. Now your day book there shows that a report was made. In some of the cases it shows there was no report, but this one shows there was a report made. Does that help you any?

Mr. WADE. I don't recall. Is this the card?

Mr. RICE. Yes, about the fifth or sixth from the bottom there.

Mr. WADE. Auto accident, 569—

Mr. RICE. It is 584 there, Captain.

Mr. WADE. Oh, yes. I don't know if there was a report made. I don't know anything about it, and I should have been the one submitting a report if there had been one made.

Mr. RICE. You think you should have made it?

Mr. WADE. I was a lieutenant at that time. If there had been one made, I would have made it.

Mr. RICE. It says, "Report."

Mr. WADE. It says, "Report." There should be one there. If the report was made, it ought to be in book one. That would come under miscellaneous. Book two is larceny, book three is housebreaking, burglary.

Mr. RICE. It would be in book one?

Mr. WADE. It should be in book one, yes, sir.

Mr. RICE. You said that Sergeant Downs told you there was a shooting out there, go out and see what has happened. How come it does not show on the record that there was a shooting?

Mr. WADE. I don't know.

Mr. RICE. It just shows investigation?

Mr. WADE. I guess I would mark it down if—

Mr. RICE. That would put it in a different book, would it not, if there was a shooting?

Mr. WADE. According to my estimation it would. There is a difference between a shooting and somebody backfiring in an automobile.

Mr. RICE. I wonder if you would be good enough to make a note of that number there of that report and see if you cannot dig up that report for us and get back in touch with us.

Mr. WADE. We brought the book over with us that covers this particular case, or should. I don't know whether Sergeant Flannery showed you the book or not. He brought it in here with him.

Mr. RICE. How come you brought that?

Mr. WADE. Because if there was anything pertaining to that year, it would be in that book, 1945. It would be in book 1.

Mr. RICE. Didn't find it in there though, did you?

Mr. WADE. I don't see any report in there. We looked for it at headquarters. Then we decided to bring the book with us.

Mr. RICE. There is no point in looking for it then if you have already done it, is there?

Mr. WADE. Well, the reports should have been filed in that book.

Mr. RICE. Did you ever discuss this matter with Souers, Chief Souers?

Mr. WADE. No, sir.

Mr. RICE. Are you sure about that?

Mr. WADE. Yes, sir.

Mr. RICE. Did it ever come to your attention later on that there was a shooting there?

Mr. WADE. No, sir.

Mr. RICE. A man by the name of Rosen got shot and went to the hospital?

Mr. WADE. No, sir.

Mr. RICE. Never heard that?

Mr. WADE. No, sir.

Mr. RICE. Never discussed that with anyone?

Mr. WADE. No, sir.

Mr. RICE. You are sure about that?

Mr. WADE. Yes, sir.

Mr. RICE. Who did you make your report to orally in connection with that backfiring?

Mr. WADE. Nobody. There wasn't anything to make a report about.

Mr. RICE. Was there a gambling operation going on out at Laurel?

Mr. WADE. Yes, sir; there was supposed to have been. In fact they made a raid over there last year.

Mr. RICE. Who made that raid?

Mr. WADE. State police.

Mr. RICE. And that was in your county, was it not?

Mr. WADE. Yes, sir.

Mr. RICE. The time that you were working on vice?

Mr. WADE. Yes, sir.

Mr. RICE. And I think the McFarland report of the Senate and a number of other indications were that there had been a wire service ticker place there at Barbara Farm going for quite a long period of time right in your county. What did you know about that place?

Mr. WADE. Nothing.

Mr. RICE. You did not know anything about it?

Mr. WADE. Never been reported to me, sir.

Mr. RICE. Was it a mystery to you?

Mr. WADE. Well, I wouldn't say it is a mystery, but according to the information I received from Sheriff Bell from Prince Georges County, the operation had only been going about 3 weeks. During the time the chief was dismissed I was acting chief of police, and we happened to meet in Baltimore and had dinner together one day along with another officer and he stated during the course of conversation that this fellow was operating in Prince Georges County prior to the time he took office. At that time he run him out or he left the county as soon as he took office.

Mr. RICE. Did you know about this operation going on out there?

Mr. WADE. No, sir; I did not.

Mr. RICE. You want to say you do not know anything about it?

Mr. WADE. Yes, sir.

Mr. RICE. Nor who was there?

Mr. WADE. Yes, sir.

Mr. RICE. Did you know anything about any gambling place in your county?

Mr. WADE. It has been reported from time to time that we had gambling, and I did at those times make investigations the best I could. I worked with Mr. Fuller last summer. I worked before with Churchill Murray. He is foreman of the grand jury last year. Mr. Fuller and Mr. O'Connor. Mr. Armstrong.

Mr. RICE. Did you ever make any arrests in either the White House Inn, the Knotty Pine, or Barbara Farm?

Mr. WADE. No, sir.

Mr. RICE. Did you ever make an investigation of those places?

Mr. WADE. Yes, sir.

Mr. RICE. What became of those investigations?

Mr. WADE. I submitted my report to Chief Souers.

Mr. RICE. What happened?

Mr. WADE. Well, if you go up there to watch them or try to get evidence they would move out, stay away for a while and come back, and the same thing would happen again.

Mr. RICE. What would you tell Chief Souers in your report?

Mr. WADE. I would state what I had seen.

Mr. RICE. What did you see?

Mr. WADE. You see people moving around, going in and out.

Mr. RICE. It looked like they were active?

Mr. WADE. Sir?

Mr. RICE. It looked like they were active there, did it not?

Mr. WADE. Well, I would say that at times; yes, sir.

Mr. RICE. And then did you ever make a raid?

Mr. WADE. No, sir.

Mr. RICE. Why not?

Mr. WADE. Because we had never obtained enough information.

Mr. RICE. All right. Now you went in police work in 1930, is that right?

Mr. WADE. Yes, sir.

Mr. RICE. What did you do before that?

Mr. WADE. I worked for the Sun paper.

Mr. RICE. For the Sun paper?

Mr. WADE. Yes, sir.

Mr. RICE. As a what?

Mr. WADE. Carrier.

Mr. RICE. What did you do about before that?

Mr. WADE. Farm.

Mr. RICE. On a farm before that?

Mr. WADE. Yes, sir.

Mr. RICE. All right, sir; do you own your own home?

Mr. WADE. Yes, sir. I have about a \$1,400 mortgage on it.

Mr. RICE. How much equity do you have in it? What is it worth?

Mr. WADE. In 1947—I had rented prior to that time from Mr. Nelson Turner. I paid \$18 a month rent, and on April 1, 1947, he come to me and asked me did I want to buy the place or whether I wanted to move, that he had to sell it, so I asked him what he wanted for the place and he said \$6,000, so I went to see my mother and talked to her and she asked me was that the kind of a place that I wanted and I told her I was satisfied with it, I had been living there since 1933.

It could be fixed up a little, so she went to see Mr. Turner and they finally agreed to let me have it for \$5,000, so my mother paid Mr. Turner. George Wolf handled the transaction, attorney for my mother, gave Mr. Turner a check, \$250 at the time the deal was made.

Mr. RICE. Go a little bit slower there, Mr. Wade. Who gave who a check?

Mr. WADE. My mother.

Mr. RICE. What is your mother's name?

Mr. WADE. Katherine R. Wade.

Mr. RICE. Did she live with you?

Mr. WADE. No, sir; she lives on the farm.

Mr. RICE. She gave Mr. Turner a check, is that right?

Mr. WADE. That is right.

Mr. RICE. For \$250. That was the down money?

Mr. WADE. Yes, sir.

Mr. RICE. Do you know what bank that was?

Mr. WADE. Glen Burnie Bank.

Mr. RICE. Is that the name of it?

Mr. WADE. Glen Burnie Bank.

Mr. RICE. Glen Burnie Bank?

Mr. WADE. Yes, sir.

Mr. RICE. Then what happened?

Mr. WADE. Then in June she settled it. She paid the other \$4,750 and I had to sign my interest off in the home place.

Mr. RICE. Then your mother put up the other \$4,750 when?

Mr. WADE. It was probably 30 days later.

Mr. RICE. She settled on the house then within a few months, and she again drew a check on the Glen Burnie Bank?

Mr. WADE. Yes.

Mr. RICE. And you took title?

Mr. WADE. Yes; that is right.

Mr. RICE. That paid it all off?

Mr. WADE. Yes, sir.

Mr. RICE. Now then, you said you have a \$1,400 mortgage on it?

Mr. WADE. I borrowed \$2,000 from Capital Building and Loan Association on it.

Mr. RICE. Where are they located? In Baltimore?

Mr. WADE. Yes, sir.

Mr. RICE. When did you borrow that \$2,000, Mr. Wade?

Mr. WADE. I think it was in 1948.

Mr. RICE. What was that for?

Mr. WADE. To put water in the house, have a bathroom. I didn't have any bathroom.

Mr. RICE. You are paying that off so much a month now?

Mr. WADE. Yes.

Mr. RICE. Do you own any other property?

Mr. WADE. No, sir.

Mr. RICE. You do not own any other real property?

Mr. WADE. No, sir.

Mr. RICE. Where is your bank account?

Mr. WADE. I don't have any.

Mr. RICE. You have no bank account?

Mr. WADE. No, sir.

Mr. RICE. Do you have a safe deposit box?

Mr. WADE. No, sir.

Mr. RICE. Do you have any stocks and bonds?

Mr. WADE. No, sir.

Mr. RICE. Do you have any other property either real or personal?

Mr. WADE. No, sir.

Mr. RICE. You do not have anything but your interest in your house?

Mr. WADE. That is all.

Mr. RICE. Do you have an automobile?

Mr. WADE. Yes, sir.

Mr. RICE. What sort of an automobile?

Mr. WADE. Chrysler.

Mr. RICE. What year?

Mr. WADE. 1949.

Mr. RICE. Where did you buy that?

Mr. WADE. L. C. Galley.

Mr. RICE. Where is he located?

Mr. WADE. Ferndale.

Mr. RICE. How much did you pay for that?

Mr. WADE. They allowed me \$1,900 on my other car. It cost me thirty-one—

Mr. RICE. 1900?

Mr. WADE. Yes, sir; and I owe the balance on that one. I had it financed for a few years.

Mr. RICE. All you did was trade in the car you had and finance the balance?

Mr. WADE. Yes, sir.

Mr. RICE. No money changed hands?

Mr. WADE. No, sir.

Mr. RICE. What did you trade in on it?

Mr. WADE. I trade in a 1948.

Mr. RICE. Chrysler?

Mr. WADE. Yes, sir.

Mr. RICE. Why?

Mr. WADE. Because I didn't like it. It looked like a hack.

Mr. RICE. You have no bank accounts any place?

Mr. WADE. No, sir.

Mr. RICE. How about your wife? Are you married?

Mr. WADE. Yes, sir.

Mr. RICE. Does your wife have a bank account?

Mr. WADE. No, sir.

Mr. RICE. Where do you file your tax return?

Mr. WADE. With the internal revenue?

Mr. RICE. At Baltimore?

Mr. WADE. Baltimore; yes, sir.

Mr. RICE. Are they joint returns with your wife?

Mr. WADE. No, sir; she has never worked.

Mr. RICE. When you make out your return, it includes any income your wife has. She does not make a separate return?

Mr. WADE. She does not work. She never had any income.

Mr. RICE. She has no separate accounts?

Mr. WADE. No, sir.

Mr. RICE. Does she own any property?

Mr. WADE. No, sir.

Mr. RICE. Own any bonds?

Mr. WADE. No, sir. I had a couple \$50 bonds and I had to cash them in.

Senator KEFAUVER. Captain Wade, why didn't you close up this White House Inn?

Mr. WADE. Sir?

Senator KEFAUVER. Why didn't you ever close up this White House Inn?

Mr. WADE. Why didn't I close it up?

Senator KEFAUVER. Yes.

MR. WADE. Well, as far as I know the place has never been operating in the last 4 or 5 years. It was during the time we were short of men, had nobody to work over there. There was only about two or three of us working at a time.

SENATOR KEFAUVER. Just last year you read in the paper, didn't you, that the McFarland committee found that they had had and were paying for wire service over there to run a book?

MR. WADE. They may have had wire service, but I know there was no open gambling over there, Mr. Kefauver.

SENATOR KEFAUVER. How did you know that?

MR. WADE. We wanted the place. I took Mr. Fuller there voluntarily one afternoon and showed him the place, told him there had been reported gambling in the place.

SENATOR KEFAUVER. Did you go inside?

MR. WADE. No, sir; we didn't.

SENATOR KEFAUVER. What do you think they were paying \$50 or \$75 a week for wire service for?

MR. WADE. What did you say, sir?

SENATOR KEFAUVER. I said, why did you think they were paying \$75 a week for wire service?

MR. WADE. I don't know, sir.

SENATOR KEFAUVER. Sixty-five dollars a week as a matter of fact, and the Knotty Pine Lodge was paying \$75 a week. It was pretty well known that it was a gambling place, was it not, Captain Wade?

MR. WADE. Well, years ago, but not recently.

SENATOR KEFAUVER. Did the State police get in touch with you before they closed up this place at Laurel?

MR. WADE. No, sir.

SENATOR KEFAUVER. Did you know it was operating then?

MR. WADE. No, sir.

SENATOR KEFAUVER. What is the name of that place?

MR. WADE. Sir?

SENATOR KEFAUVER. What is the name of that place that was operating in Laurel?

MR. WADE. I don't know.

MR. RICE. Do you know Johnny Max?

MR. WADE. Yes, sir.

MR. RICE. What business is he in?

MR. WADE. So far as I know he used to own a lot of race horses.

MR. RICE. Just owns race horses? What does he do for a living?

MR. WADE. I don't know.

MR. RICE. It would not be possible that he would be running that place, would it?

MR. WADE. I couldn't say, sir.

MR. RICE. You never checked to find out, did you?

MR. WADE. No, sir.

SENATOR KEFAUVER. Who did the State police arrest there, anybody?

MR. WADE. Sir?

SENATOR KEFAUVER. Who did they arrest at Laurel? Is Laurel in your county?

MR. WADE. Yes, sir.

SENATOR KEFAUVER. When they raided it, who did they arrest?

MR. WADE. I only know by what I read in the paper.

Senator KEFAUVER. Didn't they turn them over to you?

Mr. WADE. No, sir.

Senator KEFAUVER. Did you follow up on it to go out and see whether it was still operating or not?

Mr. WADE. No, sir.

Senator KEFAUVER. Captain Wade, do you make investigations on your own or do you wait for somebody to complain before you act?

Mr. WADE. No, sir. Nobody operating over there in that place. It is on that back road that goes back to the training school, the District Training School.

Senator KEFAUVER. Didn't you hear that the place was operating before the State police raided it?

Mr. WADE. No, sir.

Senator KEFAUVER. Isn't that rather unusual for the State police to come in and raid a place without saying anything to the local law-enforcement officers?

Mr. WADE. They are welcome to do it any time they want, Mr. Kefauver. It doesn't make any difference to me. If they can find something and get them, let them go ahead. If they want to call me and work with them, I am satisfied to work with them.

Senator KEFAUVER. Doesn't that sort of indicate they do not expect local police to do much about it if they have to do it on their own?

Mr. WADE. I would not want to answer that question because after all, they are law enforcement officers the same as we are, and if they have a complaint, they have a perfect right to go ahead and do as their see fit.

Senator KEFAUVER. All right, anything else?

Mr. RICE. Yes. To make the record perfectly plain, you want to say then that you never received a complaint from anyone that there was a gambling operation going on at Laurel?

Mr. WADE. I won't say—at the place that they raided, yes sir, but I received a complaint about the old place that was back over the hill and I made an investigation of that, sir.

Mr. RICE. What did you do? What was that, the Barbara Farm?

Mr. WADE. I think that was around '43 or '44, way back.

Mr. RICE. What did you do?

Mr. WADE. I parked the car and watched the place the best I could, and after watching it several days I made a report on what I seen, which wasn't anything. Probably one or two cars come down the back road and pull in that old big house where the hedge is high.

Mr. RICE. Whose place was that?

Mr. WADE. It is supposed to have been Mr. Barbara's, Gil Barbara's.

Mr. RICE. You made a report that you watched Gil Barbara's place and did not see anything except the cars?

Mr. WADE. That is right.

Mr. RICE. That was the end of that investigation, was it not?

Mr. WADE. I would not say the end of it. Occasionally I would drive past and see what I could see, but those days we had nobody to work. Just like I told you before, it was during the war. We made investigations for the FBI on aliens, we checked the draft board, regular routine work. We didn't have too much time to spend on that type of work.

Mr. RICE. The last 4 years, about how many raids have you made for gambling in the county?

Mr. WADE. I would say about six or seven.

Mr. RICE. Has anybody gone to jail?

Mr. WADE. They all paid fines. Some of them were given suspended sentences.

Mr. RICE. Did you ever raid the Knotty Pine?

Mr. WADE. No, sir.

Mr. RICE. Ever raid the White House?

Mr. WADE. No, sir.

Mr. RICE. How about Patty Clark? Did you ever raid him?

Mr. WADE. No, sir.

Mr. RICE. Do you know Nick Andrews?

Mr. WADE. Yes, sir.

Mr. RICE. What business is he in?

Mr. WADE. He is supposed to have been in business in our county, and then he finally come down to Anne Arundel County. He has been down around Crystal Beach with his father, as far as I know.

Mr. RICE. Where does he live?

Mr. WADE. He lives in Anne Arundel, so they tell me. I don't know.

Mr. RICE. What business is he in?

Mr. WADE. No business so far as I know.

Mr. RICE. He runs slot machines, does he not?

Mr. WADE. No, his father runs the slot machines.

Mr. RICE. What is his brother's name?

Mr. WADE. Thomas.

Mr. RICE. What does Nick do?

Mr. WADE. You are too hard for me. He is a goof or somebody. I hear you call him a goof.

Mr. RICE. Did you ever transact any business with him?

Mr. WADE. No, sir.

Mr. RICE. Are you sure about that?

Mr. WADE. Yes, sir.

Mr. RICE. Ever transact any business with his brother?

Mr. WADE. No, sir.

Senator KEFAUVER. All right Captain Wade, thank you, sir.

Mr. RICE. You will remain under subpoena, Captain Wade. We may call you again.

Senator KEFAUVER. You do not need to wait here this afternoon. If we need you again we will let you know.

Chief, do you solemnly swear the testimony you give this committee will be the whole truth, so help you God?

Mr. SOUERS. Yes, sir.

TESTIMONY OF JOHN H. SOUERS, FERNDALE, MD.

Mr. RICE. What is your full name?

Mr. SOUERS. John H. Souers.

Mr. RICE. What does the H stand for?

Mr. SOUERS. Harry.

Mr. RICE. Where do you live?

Mr. SOUERS. Ferndale.

Mr. RICE. Do you have a street address there?

Mr. SOUTERS. 2 Broadview Boulevard.

Mr. RICE. What is your telephone number?

Mr. SOUTERS. 355.

Mr. RICE. Do you have an unlisted phone?

Mr. SOUTERS. No, sir.

Mr. RICE. What is your job?

Mr. SOUTERS. I was former chief of police at Anne Arundel County.

Mr. RICE. What is your present job?

Mr. SOUTERS. Right now I am not doing anything. I am going back to carpentry work.

Mr. RICE. Carpentry work?

Mr. SOUTERS. Yes, sir.

Mr. RICE. Did you do carpentry work before you became—

Mr. SOUTERS. Yes, sir.

Mr. RICE. When did you become connected with the police department?

Mr. SOUTERS. February 25, 1929, part time.

Mr. RICE. You were then doing carpentry work?

Mr. SOUTERS. I was a contractor then.

Mr. RICE. Now, then, you were part time. When did you become a full-time law-enforcement officer?

Mr. SOUTERS. I think I went in full time either the last part of 1934 or 1935.

Mr. RICE. And from that time on you were in law enforcement until when?

Mr. SOUTERS. Until this year.

Mr. RICE. Approximately what date this year?

Mr. SOUTERS. April 1, I put my papers in April 1 and the police board asked me to stay until April 15. I left April 15, 1951.

Mr. RICE. When did you become chief of the county police, Mr. Souters?

Mr. SOUTERS. June 1, 1937.

Mr. RICE. In 1937 until 1947 you were chief of the Anne Arundel County Police?

Mr. SOUTERS. Yes, sir.

Mr. RICE. We have been discussing this afternoon a shooting that took place out at the White House Inn back in 1945 in which a fellow by the name of Rosen went to the hospital. Tell us what you know about that.

Mr. SOUTERS. The first time I heard that was outside in the hall. Captain Wade asked me did I ever hear of any shooting at the White House Tavern and I says no, I never have, and I never have until that time. Never heard anything about any shooting.

Mr. RICE. When did Captain Wade ask you that?

Mr. SOUTERS. This morning when I come in, he still calls me chief, he says, "Chief, did you ever hear of any shooting at the White House?" I says, "Shooting?" He says, "Yes." I says, "No, never. Never have heard of any shooting."

Mr. RICE. What was that White House Inn, or what is it?

Mr. SOUTERS. Well, I had several complaints in regard to it. It was gambling at times. They would go in, come out, operate for a while, leave, then come back again.

Mr. RICE. Whose place was it?

Mr. SOUTERS. A guy by the name of Herman or something like that.

Mr. RICE. Herman. That is some years ago?

Mr. SOUERS. Yes, sir.

Mr. RICE. And then who took it over?

Mr. SOUERS. I don't know. Nobody else took it over.

Mr. RICE. Are you referring to Frankel when you talk about Herman or is that a different man?

Mr. SOUERS. I think it was Herman Franklin or something like that.

Mr. RICE. Do you know Frankel?

Mr. SOUERS. No, sir.

Mr. RICE. Hymie Frankel?

Mr. SOUERS. No, sir. I know him when I see him.

Mr. RICE. Were you ever in the place?

Mr. SOUERS. No, sir.

Mr. RICE. Did you ever make an investigation of the place?

Mr. SOUERS. No, sir; I have gone up in front of the place, in the driveway. I have sat over in the weeds in a police car. I have put police cars in there time and time again.

Mr. RICE. Did you ever check to see who owned it?

Mr. SOUERS. No sir, I didn't.

Mr. RICE. Your investigation would be, you were watching it, is that it?

Mr. SOUERS. Yes, sir.

Mr. RICE. Suppose there was a telephone place that was taking telephone bets, lay-off bets or telephone action, how would you investigate that type of place?

Mr. SOUERS. In regards to the telephone, I didn't know how really to get to check on the telephones until 1949, and that was at the time, that was the latter part of '49 when I put two plain-clothes men to work. I never had any plain-clothes men.

Mr. RICE. Who were they?

Mr. SOUERS. That was Wade and Praley.

Mr. RICE. And they were your vice squad then?

Mr. SOUERS. That is right, at that time in '49. Then I consulted Captain Emerson and through Captain Emerson in Baltimore city, he gave me the information through Mr. Monroe of the Chesapeake & Potomac Telephone Co. how to obtain information.

Mr. RICE. What did you do?

Mr. SOUERS. I did? In other words, I had a complaint about a place first, I called Mr. Monroe by phone. He said he didn't think it would be proper to call by phone. "You better send somebody in," so I sent somebody in for the information and we watched the place, and get a search and seizure warrant and knock it off.

Mr. RICE. Did you ever knock off the White House Inn?

Mr. SOUERS. No.

Mr. RICE. Did you ever make a telephone check on it?

Mr. SOUERS. No, sir, not recently.

Mr. RICE. Ever?

Mr. SOUERS. A long while ago.

Mr. RICE. What happened to that?

Mr. SOUERS. There wasn't no telephone in there. You see, the White House on Hammonds Lane, I am positive at the time they did booking there, the phones weren't there. That was somewheres else. They were somewheres else.

Mr. RICE. You mean the phones were right near by?

Mr. SOUERS. That is right.

Mr. RICE. And they were jumping them over some way or another.

Mr. SOUERS. That is right.

Mr. RICE. How did you find out about that?

Mr. SOUERS. I heard that. It was in the Baltimore Sun, it was on Frederick Street where three men had a telephone book and they would go in the front door and go off the skyline roof—I am sure Jackson knows about that—walk to the end of the block, go down and the wires across there. I was talking to the police in Baltimore city. They said that is the way the White House did.

Mr. RICE. When you found out that was probably what they were doing, what did you do?

Mr. SOUERS. Truthfully I went in there one night myself, I snuck in the window and looked around. I couldn't find no phone. I watched those people go out and I went in the window and looked around to see if I could find the phones. There wasn't no phones in the place.

Mr. RICE. Did anyone go with you?

Mr. SOUERS. No, sir.

Mr. RICE. You went there by yourself?

Mr. SOUERS. I went out there, stayed in a trailer camp in the weeds and watched the place and went over and got in the window and looked through the house and couldn't find no phones.

Mr. RICE. Did you use a flashlight?

Mr. SOUERS. Yes, a small flashlight.

Mr. RICE. When was that?

Mr. SOUERS. That was I would say about the middle part of 1950.

Mr. RICE. Was that after you found out about the wire service being in there?

Mr. SOUERS. Yes, sir; that was in '49 when I found about that wire service.

Mr. RICE. Ticker.

Mr. SOUERS. No, I didn't know that until I think it was '51.

Mr. RICE. Well in 1950 in April or May the McFarland Senate committee report was published in the paper in which it was set out that there were wire services, ticker services to the White House Farms still running up in January of 1951, still paying \$65 a week.

Mr. SOUERS. Did you say it was in the paper?

Mr. RICE. Yes.

Mr. SOUERS. I didn't see it.

Mr. RICE. No one told you about that?

Mr. SOUERS. No.

Mr. RICE. You never made a check to find out what places in the county had wire service tickers?

Mr. SOUERS. Only one time Mr. Churchill Murray, he was formerly with the grand jury. I didn't know how to get that information and I don't know whether he got it directly himself or through a committee, but they did have information on tickers.

At that time I am positive it was supposed to be four tickers in Anne Arundel County, one in the Governor's office, one in the Naval Academy, and two somewhere else.

Mr. RICE. One where?

Mr. SOUERS. One in the Naval Academy.

Mr. RICE. In the Naval Academy?

Mr. SOUERS. Yes, sir.

Mr. RICE. A ticker?

Mr. SOUERS. I guess that is what you would call it, and one in the Governor's office. Don't they have one there, too?

Mr. RICE. No; I am talking about a horse-race ticker.

Mr. SOUERS. Well, that is the same listing, isn't it?

Mr. RICE. No.

Mr. SOUERS. Isn't there one like it in the Governor's Mansion?

Mr. RICE. No. The record shows there was one at White House Farms, one at Knotty Pine, and for a long time there was one in Barbara Farms under the name of S. Friedlander at Laurel.

Mr. SOUERS. Is that the place they knocked off here not long ago at Laurel?

Mr. RICE. Yes, sir.

Mr. SOUERS. No, sir, I didn't know that.

Mr. RICE. Didn't know anything about any of those?

Mr. SOUERS. No, sir; I didn't.

Mr. RICE. How about the one at the Knotty Pine? Do you know where that is?

Mr. SOUERS. Yes, sir, I do.

Mr. RICE. What was going on there?

Mr. SOUERS. I think at times they booked off and on. The last time I had been in there I took a man in the county in there. He went in, reported back to the State's attorney that the dust was thick in the place, the place was empty, there hadn't been nobody in there for a year or so.

Mr. RICE. Let's see if we can't fix a time when that happened. When did you send that man out to Knotty Pine?

Mr. SOUERS. I am not sure, but I think it was the first part of 1949.

Mr. RICE. Who was the man?

Mr. SOUERS. Sergeant Mead.

Mr. RICE. Brook Mead?

Mr. SOUERS. That is right, brought him up from the other end and he went in there. I am not sure, but I think he reported back to the State's attorney on it. He said at that time the place was empty, had nobody in it for a long time, and it was dust there an inch thick.

Mr. RICE. Whose place was that?

Mr. SOUERS. What is that guy's name? I don't know what his name is any more now.

Mr. RICE. Is he still around?

Mr. SOUERS. No, I haven't heard of that guy for a long time.

Mr. RICE. Who went with Mead; anyone?

Mr. SOUERS. Yes, somebody did, but I don't recall who it was.

Mr. RICE. I have a record here which shows that Knotty Pine was paying \$75 per week for wire service through 1950 and was still active in January 1951.

Mr. SOUERS. Not to my knowledge.

Mr. RICE. No investigation established that they were active during any of that time?

Mr. SOUERS. That place is a tavern there. That tavern has been there I don't know how many years.

Mr. RICE. Pennington Avenue?

Mr. SOUERS. Yes, sir, Knotty Pine Tavern. It is a tavern there and you can walk right in and out of the place.

Mr. RICE. Have you ever made an independent check with either Howard Sports or World-Wide News and Muzak or any available source to find out what places in the county were receiving race wire service?

Mr. SOUERS. No, sir; I did not. The only one made was by Churchill Murray before the grand jury.

Mr. RICE. At the time that Mead went up there, did he go in the place?

Mr. SOUERS. Yes, sir.

Mr. RICE. Did he tell you what was in there?

Mr. SOUERS. Yes, he said there was some old dirty looking furniture in there.

Mr. RICE. Betting windows or betting cages?

Mr. SOUERS. No, I don't recall that.

Mr. RICE. Any gambling equipment at all?

Mr. SOUERS. No, sir.

Mr. RICE. Didn't see any gambling equipment?

Mr. SOUERS. No, sir; he said the dust was real thick. There hadn't been anybody in there for a long while.

Mr. RICE. Was the building completely empty?

Mr. SOUERS. Yes, sir.

Mr. RICE. Not even running as a tavern. Then it started up again?

Mr. SOUERS. Yes, sir.

Mr. RICE. You did not conduct any investigation when it opened up again?

Mr. SOUERS. No. The police were in and out of the tavern because you can easily walk in and out of there.

Mr. RICE. Did it have a back room?

Mr. SOUERS. Not that I know, I don't think so.

Mr. RICE. Tell us about the Barbara Farm, Patty Clark, what was the history on that?

Mr. SOUERS. I don't know what you mean.

Mr. RICE. Never heard of it?

Mr. SOUERS. Try to make it a little clearer to me.

Mr. RICE. The place that gave you all that trouble and the State police raided the farm out there and they arrested these people and the inference was that you did not know anything about it.

Mr. SOUERS. That is right.

Mr. RICE. What was the story on that?

Mr. SOUERS. The story as far as I know about the place is this: The State police raided it. Over in that section of the county the county police very seldom go. We have a very small police department. We do not have a whole lot of men.

Mr. RICE. How many men did you have?

Mr. SOUERS. At that time?

Mr. RICE. Yes.

Mr. SOUERS. In that station 11 men, counting myself.

Mr. RICE. How about in the whole county?

Mr. SOUERS. Right now for instance there are 65 men there.

Mr. RICE. How many were there in January of 1951 in the whole county?

Mr. SOUERS. Fifty-five—fifty-three.

Mr. RICE. Did you ever have a complaint on operations going on out there near Laurel?

Mr. SOUERS. That is what I started to tell you about. I never have received any complaint pertaining to it, and if I remember correctly when Officer Smith and Sergeant Jackson, I think if I am not mistaken, testified that it was asked—"Could you detect the place by telephone wires?"—they said there wasn't no telephone wires going to the place, they were underground, and I never have received a complaint pertaining to it.

Another thing, the sheriff of Prince Georges County told one of the officers from reading the paper he knew that place could not have been there that long because he had run that numbers man out of the Prince Georges County right after he took office, and he took office in December of 1950. That is the sheriff of Prince Georges County.

Mr. RICE. What number man are you talking about?

Mr. SOUERS. I don't know.

Mr. RICE. Patty Clark?

Mr. SOUERS. I don't know Patty Clark.

Mr. SMITH. We did not raid the place until December 1950.

Mr. RICE. Tell us what complaints you did have about the place or what you knew about the place.

Mr. SOUERS. I never had a complaint pertaining to that place, and I never heard one word ever mentioned about that place.

Mr. RICE. It was said it was one of the largest lay-off places on the east coast. How do you account for that operation going on in your county without your knowing about it?

Mr. SOUERS. Well, as I tried to tell you before, if I remember right these officers testified, these gentlemen that you have here, that they couldn't detect, after they went they couldn't find out about it. Isn't that right, Mr. Jackson?

Mr. RICE. We are not going to labor the point. The record definitely indicates there was a tremendous amount handled there and a great volume of lay-off betting involving cities such as Philadelphia, Cincinnati, Baltimore, Washington, and other east coast cities. That telephone bill there monthly ran into hundreds of dollars. That there were a number of men involved and generally a large dice game, 2 or 3 nights a week operating there. The men pled guilty I believe at the time of the trial. There did not seem to be any question but what there was a major operation going on there.

Mr. SOUERS. It probably was; but I had no complaint and had never heard a word about it.

Mr. RICE. Do you act only on complaints or did you conduct any individual investigation in the county?

Mr. SOUERS. Would you want me to give you some idea in regards to that?

Mr. RICE. I am interested in knowing what your policy was.

Senator KEFAUVER. Tell us about it.

Mr. SOUERS. Senator Kefauver, we have in Anne Arundel County probably you know 426 square miles, and up until 1950 or this year we had 53 men, and those 53 men are broke into eight shifts. They do some patrolling but very little.

They answer complaints by radio, by telephone, take care of the schools, make inspection of all machines, beer license, liquor license, consoles, poolroom license, drug store license, every license there is

compulsory, make a sheet out. They have to go into all the stores and take care of the schools.

If you take all that, you didn't have enough men to get around the county the way you are supposed to. It is impossible. I did all the checking I possibly could do and as soon as I got more men I did what I thought was a much better job. I started to tell you the place—I was talking to the fire marshal. He was in that particular place there 3 months ago if you remember to make a check on a fire hazard and the roof was half in, the pipes was down and there wasn't nobody living in the place. He testified to that in Annapolis.

MR. RICE. Did you ever hear of St. Helena Island?

MR. SOUERS. Yes, sir.

MR. RICE. What happened over there?

MR. SOUERS. The best I can tell you about that, I heard something about that a long while ago. I went down to the beach on this side. I don't know if you ever have been there or not, and a man on the boat, I don't know his name any more, I asked him if Mr. So and So was there.

MR. RICE. Colonel Carter?

MR. SOUERS. I believe it was Walker.

MR. RICE. It may have been Walker?

MR. SOUERS. I believe it was, and he said no, Mr. Walker has gone in to get some groceries, so when I turned around to walk back up the little platform——

MR. RICE. What did you go there for?

MR. SOUERS. Complaint. Somebody said they had been shooting crap over there.

MR. RICE. You went over there personally then?

MR. SOUERS. No, I didn't. I went on the beach. You have to go on a boat. I asked if Mr. Walker was there and he said Mr. Walker went into some place to get some groceries and when I walked back to the beach to get my car, a man came down and I asked, "Are you Mr. Walker?" And he said, "Yes." I said, "If your intentions are to do any gambling of any kind over here, you better go ahead and get off that island and get away from here." That is exactly what I told him.

MR. RICE. Is that all the conversation you had with Walker?

MR. SOUERS. Yes, sir.

MR. RICE. Did he offer you any money?

MR. SOUERS. No, sir.

MR. RICE. Did you talk to Carter?

MR. SOUERS. No sir; I don't know Carter.

MR. RICE. Wasn't it true that there was an active table gambling casino going on on the island for one whole summer?

MR. SOUERS. Not to my knowledge.

MR. RICE. You never had any complaints about that?

MR. SOUERS. No, sir; we had police lived right there. I don't see how it is possible.

MR. RICE. What year was that you went over there?

MR. SOUERS. It seems like it was about 2 years ago.

MR. RICE. You were chief of police then?

MR. SOUERS. Sure.

MR. RICE. Did you make a practice of going out on gambling complaints yourself?

Mr. SOUERS. No, sir. I stopped in there. I am not sure, but I think the State's attorney asked me something about that and I stopped in on my way up the Crane Highway, the what-do-you-call-it, and went into the harbor and went down there on the beach.

Mr. RICE. And your purpose was to determine if there was a gambling operation going on there?

Mr. SOUERS. Yes, sir; I asked the officers. The officer has a little shack there 10 by 10, and I asked him if he seen any cars there, and says no. He says, "There ain't anything going on around there, Chief."

Mr. RICE. The game went on at night.

Mr. SOUERS. He is down there. He spends a lot of time. He is down there every evening, going fishing, him and his wife.

Mr. RICE. What officer was that?

Mr. SOUERS. Officer Arthur.

Mr. RICE. Is he still on the force?

Mr. SOUERS. Yes, sir.

Mr. RICE. Was it Mr. Morton who asked you about that?

Mr. SOUERS. I am not sure whether it was 2 years ago or a little longer. I just forget now whether it was the other State's attorney or this State's attorney.

Mr. RICE. You reported back to him "Nothing doing over there," is that the idea?

Mr. SOUERS. I think I told him, exactly what I did; I think I told him.

Mr. RICE. Wasn't a man beaten up and robbed over there as a result of a gambling venture?

Mr. SOUERS. I never heard anything about it.

Mr. RICE. Do you know Hymie Frankel? Did you know Frankel?

Mr. SOUERS. No. I heard of a Herman Franklin or something like that. I don't think it was that name.

Mr. RICE. How about Sidney Rosen?

Mr. SOUERS. Who?

Mr. RICE. Sidney Rosen, the man who got shot out there at the White House.

Mr. SOUERS. No, I never heard of that name.

Mr. RICE. Did you ever hear the story of Chicken Joe Cassiola came out there and shot him?

Mr. SOUERS. No, sir.

Mr. RICE. Never heard anything about that?

Mr. SOUERS. No, sir.

Mr. RICE. The records in the hospital show that Rosen was shot up out there at the White House in 1945. How about Goldberg? Do you know George Goldberg?

Mr. SOUERS. Yes, sir.

Mr. RICE. What does he do?

Mr. SOUERS. I locked his brother up one time.

Mr. RICE. What brother?

Mr. SOUERS. That's been a long while back. I took him for numbers one time. I took \$7,500 away from him and he filed suit against me and I wouldn't give him the money. Finally they settled. He got half and the county got half of it. Paid a fine. Each one paid a fine of three thousand.

Mr. RICE. This was Goldberg's brother?

Mr. SOUERS. Yes.

Mr. RICE. And you say you caught him with the money on him?

Mr. SOUERS. Yes.

Mr. RICE. And number slips?

Mr. SOUERS. I caught him and two other men was in the car when I grabbed the car.

Mr. RICE. How long ago is that?

Mr. SOUERS. I don't know if that was 1947 or not.

Mr. RICE. You say you got \$7,000?

Mr. SOUERS. I grabbed the three of them. We had some police with me. We had a search warrant, grabbed the car. It was Buick I believe, and brought the Buick in, and I searched the three of them myself. I took around \$7,500 off of them and some slips out of their pockets. They were tried.

Mr. RICE. Were they tried or did they plead guilty?

Mr. SOUERS. I don't remember whether they pleaded guilty or not.

Mr. RICE. Do you remember who the judge was?

Mr. SOUERS. Yes, Judge Dunker. They paid \$1,000 fine apiece and the \$7,500 they wanted me to give it back, and I told them no, I didn't have the authority. They would have to get a court order, and they got a release from the court and they decided to take half and the county half.

Mr. RICE. Who made that deal?

Mr. SOUERS. Judge Michaelson.

Mr. RICE. Who agreed to it for the county?

Mr. SOUERS. Judge Michaelson.

Mr. RICE. Judge Michaelson did?

Mr. SOUERS. Yes.

Mr. RICE. I thought it was Dunker that had the case.

Mr. SOUERS. Oh, no; I am talking about this \$7,500.

Mr. RICE. Who represented Goldberg? Who was his lawyer?

Mr. SOUERS. I know they sent me a letter and told me they were going to file a suit against me in the county for \$7,500.

Mr. RICE. Who was the lawyer?

Mr. SOUERS. I am just trying to think.

Mr. RICE. Is he an Annapolis lawyer?

Mr. SOUERS. I think that was an Annapolis lawyer.

Mr. RICE. You say you think that was Mr. Dunker?

Mr. SOUERS. Yes.

Mr. RICE. Which Mr. Dunker?

Mr. SOUERS. Do you know Mr. Dunker's first name? If you mentioned it, I will remember.

Mr. RICE. There are two or three Mr. Dunkers there. Is he a lawyer at Annapolis?

Mr. SOUERS. No; he is in Baltimore, I think.

Mr. RICE. He made the deal with Judge Michaelson and they worked it out?

Mr. SOUERS. I was there when they did it. They said they would take 50 percent. They wanted it all. Judge Michaelson wasn't the judge yet. He was the counsel for the county commissioners, that's right. He was counsel for the county commissioners.

Mr. RICE. How about the State's attorney, was he in that, too?

Mr. SOUERS. They consulted the judge. How they did it, I don't know. I mean I had nothing to do with that part.

Mr. RICE. It certainly is not clear to me, as I understand it now, when they were arrested, they had the \$7,500 on them?

Mr. SOUERS. Yes, sir.

Mr. RICE. And they were tried and found guilty before Judge Dunker?

Mr. SOUERS. Yes, sir.

Mr. RICE. And you still had the money?

Mr. SOUERS. Yes, sir.

Mr. RICE. They wanted to know what to do with the money?

Mr. SOUERS. I could have released it to the lawyer, but I didn't have the authority. I was scared to release that \$7,500.

Mr. RICE. Got out a deal, but it was not Judge Dunker?

Mr. SOUERS. No.

Mr. RICE. Did he pass sentence?

Mr. SOUERS. Yes, sir.

Mr. RICE. What was his sentence?

Mr. SOUERS. \$1,000 fine apiece.

Mr. RICE. That is \$3,000?

Mr. SOUERS. Yes, sir.

Mr. RICE. Any jail sentence?

Mr. SOUERS. No, sir; no jail sentence.

Mr. RICE. He says \$3,000. They paid \$3,000 and you still had \$4,500 left.

Mr. SOUERS. Seventy-five hundred.

Mr. RICE. After this three was paid?

Mr. SOUERS. Oh, sure. They didn't take it out of that. I wouldn't touch that money.

Mr. RICE. They paid \$3,000 with separate money then? You still had \$7,500?

Mr. SOUERS. They posted bond of \$3,000.

Mr. RICE. After they paid their fine you still had \$7,500?

Mr. SOUERS. Yes.

Mr. RICE. Then what happened?

Mr. SOUERS. As I say, Dunker, I think that is his name, wanted me to turn the money back, and I told him I had no authority to turn that money back. He would have to have a court order. I didn't know any other way around it, so they got in touch with a lawyer in the county.

Mr. RICE. Who was he?

Mr. SOUERS. Mr. Michaelson was at that time, which is Judge Michaelson today.

Mr. RICE. He was State's attorney then?

Mr. SOUERS. No, he was counsel to the county commissioners.

Mr. RICE. He did not prosecute gambling cases?

Mr. SOUERS. There wasn't no prosecution there. The men had been prosecuted, tried.

Mr. RICE. Who tried them, who prosecuted them?

Mr. SOUERS. Judge Dunker.

Mr. RICE. But there was a State's attorney that represented the county, was there not?

Mr. SOUERS. No. They were tried for instance in a magistrate's court, a trial magistrate.

Mr. RICE. Who presented the evidence against them?

Mr. SOUERS. I did.

Mr. RICE. You tried the case then?

Mr. SOUERS. Well, I did not try the case. I presented the evidence and the judge found them guilty.

Mr. RICE. There wasn't any State's attorney or lawyer for the county there at all?

Mr. SOUERS. I don't remember. I don't think there was.

Mr. RICE. Isn't that usual?

Mr. SOUERS. Sometimes he is there and sometimes he is not. I don't know—

Mr. RICE. In any event at this time you do not think there was?

Mr. SOUERS. I could not say, but I know that I had the \$75.

Mr. RICE. \$7,500.

Mr. SOUERS. \$7,500, and the county counsel somehow or another got together with Mr. Dunker and turned over 50 percent to the county.

Mr. RICE. To the county commissioners?

Mr. SOUERS. Sure.

Mr. RICE. It is difficult for me to understand what the county commissioners had to do with the money that seemed to be in the court.

Mr. SOUERS. The prosecution of the violation was over. In other words, the men had been tried, found guilty, and paid \$1,000 apiece plus the costs, and \$7,500 was then—between Mr. Michaelson and Mr. Dunker it was agreed upon the county would keep half the money and they would keep half the money, so they didn't file any suit against me in the county.

Mr. RICE. So they split the money and \$3,500 went back?

Mr. SOUERS. I couldn't say. All I knew is 50 percent went to the county.

Mr. RICE. That went on into the commissioners' treasury?

Mr. SOUERS. That is right.

Mr. RICE. And the other money went back to Goldberg?

Mr. SOUERS. Evidently it did. It went to Mr. Dunker. He got it.

Mr. RICE. I asked you if you knew George Goldberg.

Mr. SOUERS. No, sir; I don't know him other than to go down to his place.

Mr. RICE. At Manhattan?

Mr. SOUERS. Manhattan Beach. It was 48, and watch his place.

Mr. RICE. What kind of a place does he have there?

Mr. SOUERS. He has a dwelling there. He lives there.

Mr. RICE. You say you watched his place?

Mr. SOUERS. Yes, sir. There was a man by the name of Mr. Book, I believe.

Mr. RICE. What?

Mr. SOUERS. Book, that was the man's name, and he told me about it. Another thing, I put Goldberg's telephone—I put an Officer Street in a telephone exchange in Severn Park after I heard about there is a possible chance they might be doing a little gambling there. He knew the operator and he listened in there 2 or 3 days.

I went down with Mr. Book, that was right before the Mahlen-Kline case, and watched his place, and that car pulled down the road and the man said, "That is Mr. George Goldberg and his wife," and

they got out of the car and went in the house, and then I left to come away from there.

Mr. RICE. Did you ever go into Goldberg's residence there?

Mr. SOUTERS. No, sir.

Mr. RICE. Don't know what business he is in?

Mr. SOUTERS. Only what I read in the paper. I read in the paper where he had an athletic club in Baltimore City or some kind of a club.

Mr. RICE. When the officers go out on a complaint which is entered on your log, they come back and make a written report, do they not?

Mr. SOUTERS. Yes, sir.

Mr. RICE. And what is done with that report? Does that come to you for review?

Mr. SOUTERS. From 1949 in this department we are speaking of, I should try to make it a little clear I guess, I never even had a secretary, in 1949, the last part of '49. Then is when I started the order in regard to reports coming into the office and being approved before they were filed. Up until that time I never approved them.

Mr. RICE. Starting in 1949 you approved them?

Mr. SOUTERS. That is right, when I got a secretary.

Mr. RICE. What was done with the report before that?

Mr. SOUTERS. The man for instance working at the desk would put it in the index book and put it in the report folder.

Mr. RICE. As a matter of fact the reports were put on your desk every morning, were they not?

Mr. SOUTERS. No, sir, not until 1949.

Mr. RICE. Before that you never saw the reports?

Mr. SOUTERS. Only if I would go behind the desk and pick the book up and look at them. They have a book about that night for each different type of report like miscellaneous or break—B and E, whatever it might be. I would go look at the report.

In 1949 I was able to get a secretary in the department. I had all reports that come through the office and she would retype them and correct the spelling when necessary, and then I would check and she would file them.

Mr. RICE. All right, sir, do you own your own home?

Mr. SOUTERS. Yes, sir.

Mr. RICE. Do you have any mortgage against it?

Mr. SOUTERS. Not right now.

Mr. RICE. Where is that located?

Mr. SOUTERS. Ferndale.

Mr. RICE. How much is that worth?

Mr. SOUTERS. How much do I value it at now?

Mr. RICE. Yes.

Mr. SOUTERS. I built that in 1928. I built it myself. It cost me \$3,500. I would say now probably twelve, fifteen thousand. I built one little house on—

Mr. RICE. Let us take it a little easy. The house you live in now, do you own that jointly with your wife?

Mr. SOUTERS. Yes, sir.

Mr. RICE. And there is nothing against that?

Mr. SOUTERS. Not right now. I am just going back to borrow \$8,000, when you people called for my paper.

Mr. RICE. What other real property do you own?

Mr. SOUTERS. I have a store across the street that I built.

Mr. RICE. That is in Ferndale?

Mr. SOUERS. Yes, sir.

Mr. RICE. When did you build that?

Mr. SOUERS. I started in '46.

Mr. RICE. What is the address of that?

Mr. SOUERS. That is 1 Annapolis Road.

Mr. RICE. Do you own that outright?

Mr. SOUERS. Yes, sir.

Mr. RICE. As an individual?

Mr. SOUERS. My wife and I.

Mr. RICE. Does that have anything against it?

Mr. SOUERS. No, sir, not now.

Mr. RICE. What is that, a store?

Mr. SOUERS. Yes, sir.

Mr. RICE. And you have a lease on that?

Mr. SOUERS. No, I don't have any lease on it. I rent it to these people.

Mr. RICE. Who rents it?

Mr. SOUERS. People by the name of Lee.

Mr. RICE. What sort of a store do they have?

Mr. SOUERS. He has a bakeshop there.

Mr. RICE. A bakeshop?

Mr. SOUERS. Yes, sir.

Mr. RICE. What do they pay?

Mr. SOUERS. Two hundred dollars.

Mr. RICE. And they get the whole building?

Mr. SOUERS. No, sir, just a store.

Mr. RICE. Is there any other income from it?

Mr. SOUERS. Upstairs is \$40 and \$45.

Mr. RICE. Are they rooms?

Mr. SOUERS. Yes, sir.

Mr. RICE. Two hundred a month and you get \$40 from one room and \$45 from the other, is that right?

Mr. SOUERS. Yes, sir.

Mr. RICE. What did it cost you to build that?

Mr. SOUERS. A little less than \$10,000.

Mr. RICE. And that was in 1946?

Mr. SOUERS. Yes, sir. I built that myself. I built it nighttime.

Mr. RICE. You contracted or you did your own work?

Mr. SOUERS. I did my own work.

Mr. RICE. Had there ever been a mortgage against that?

Mr. SOUERS. I mortgaged my home first for \$5,000 and I started that. I had some money and I borrowed \$8,000 on it and had a mortgage for \$13,000 on both places.

Mr. RICE. Then you have since paid off the mortgage?

Mr. SOUERS. That is right.

Mr. RICE. What else do you own?

Mr. SOUERS. The only thing I own other than that is a lot behind that hooked on to that store. It is 40 feet wide and 60 feet deep.

Mr. RICE. When did you acquire that?

Mr. SOUERS. I think I bought that in '48 because I didn't have any right of way back of that store. It is 40 feet wide and 60 feet deep.

Mr. RICE. How much did you pay for that?

Mr. SOUERS. It was either \$445 or \$500, one of the two. Don't you have my papers here? It is all there, the receipts are all there.

Mr. RICE. Do you own any other property.

Mr. SOUERS. No, sir.

Mr. RICE. How about an automobile?

Mr. SOUERS. Yes, sir.

Mr. RICE. What sort of an automobile do you have?

Mr. SOUERS. I have a Buick.

Mr. RICE. What year?

Mr. SOUERS. '50.

Mr. RICE. Where did you buy that?

Mr. SOUERS. Annapolis Buick.

Mr. RICE. Is that paid for?

Mr. SOUERS. Yes, sir; paid for now, bought it on 18 months payments.

Mr. RICE. What bank accounts do you have?

Mr. SOUERS. I have a bank account, I did have one—you have my books. As a matter of fact I was going to ask you to give me my one book back.

Mr. RICE. What bank accounts do you have?

Mr. SOUERS. I have a bank account in the Citizens Savings Bank.

Mr. RICE. What was that?

Mr. SOUERS. Citizens Savings Bank.

Mr. RICE. Citizens Savings? Where is that located?

Mr. SOUERS. Baltimore.

Mr. RICE. Is that a checking account?

Mr. SOUERS. No, sir; a savings account.

Mr. RICE. Is that in your name?

Mr. SOUERS. My name and my wife.

Mr. RICE. What is the approximate balance in that?

Mr. SOUERS. I am not sure but I think it is \$600. Isn't that my folder there? I mean my folder is just like that. It has all the books right in it.

Mr. RICE. Have you turned over your records?

Mr. SOUERS. Oh, yes; I turned over everything. Mr. Farrell has it. I turned it over to him, went over everything with him.

Mr. RICE. What other bank accounts do you have?

Mr. SOUERS. I don't have any other. I did have one at the Ferndale Building and Loan Association.

Mr. RICE. That was a deposit account?

Mr. SOUERS. Yes, sir; Mr. Farrell has that, too.

Mr. RICE. Do you have any checking accounts?

Mr. SOUERS. No, sir.

Mr. RICE. Are you sure about that?

Mr. SOUERS. Sure about it; yes, sir.

Mr. RICE. Have you ever had a checking account?

Mr. SOUERS. I haven't had a checking account in my name I should think since '29, I believe.

Mr. RICE. Where was that?

Mr. SOUERS. Glen Burnie.

Mr. RICE. In the Glen Burnie Bank?

Mr. SOUERS. Yes, sir.

Mr. RICE. Do you have any bonds?

Mr. SOUERS. I think I have about \$500 worth. He has that, too.

Mr. RICE. I am asking you. I would appreciate it if you would help us a little on it.

Mr. SOUERS. I certainly will, sir.

Mr. RICE. You have about \$500 in bonds?

Mr. SOUERS. That is bonds; not cash.

Mr. RICE. Where are those bonds kept?

Mr. SOUERS. Where are they kept? Home.

Mr. RICE. Have you cashed them?

Mr. SOUERS. No, sir. Mr. Farrell has them. No, he don't. He has just the serial numbers, that's right.

Mr. RICE. Where are the bonds themselves?

Mr. SOUERS. Home.

Mr. RICE. At home in your house?

Mr. SOUERS. Yes, sir.

Mr. RICE. Do you have a safe there?

Mr. SOUERS. Yes, sir.

Mr. RICE. Strong box?

Mr. SOUERS. Yes, sir.

Mr. RICE. How long have you had that?

Mr. SOUERS. Oh, I have had that I guess since 1930.

Mr. RICE. Do you remember where you bought it?

Mr. SOUERS. No, I don't.

Mr. RICE. Does it have a combination on it?

Mr. SOUERS. Yes.

Mr. RICE. What else do you have in there besides the bonds?

Mr. SOUERS. I don't have anything in there. You have it all.

Mr. RICE. No, we do not have things from your safe, I do not think.

Mr. SOUERS. All my papers that Mr. Farrell has is what I had in there.

Mr. RICE. Do you have any cash in there?

Mr. SOUERS. No; I have no cash in there, maybe 60 or 70 dollars.

Mr. RICE. Do you own any stocks?

Mr. SOUERS. No, sir.

Mr. RICE. Any other bonds?

Mr. SOUERS. No, sir.

Mr. RICE. Any securities?

Mr. SOUERS. No, sir.

Mr. RICE. Do you have any other assets?

Mr. SOUERS. None whatsoever.

Mr. RICE. Do you owe any money?

Mr. SOUERS. Do I owe any money?

Mr. RICE. Do you owe any money?

Mr. SOUERS. No, sir.

Mr. RICE. Do you have any accounts jointly with your wife?

Mr. SOUERS. Do I have any joint accounts?

Mr. RICE. Yes.

Mr. SOUERS. Yes, I just told you.

Mr. RICE. Which one was that that is joint?

Mr. SOUERS. The one which I think has \$600 in it.

Mr. RICE. The Citizens Savings?

Mr. SOUERS. Yes, sir; and down the association.

Mr. RICE. Do you have any other accounts jointly with your wife or does she have any individual accounts?

Mr. SOUERS. No, sir; she don't. She never had an individual account.

Mr. RICE. Has she ever worked?

Mr. SOUERS. Yes, sir.

Mr. RICE. And does she make a joint income-tax return with you?

Mr. SOUERS. When I first got married—that is about 30 years ago—she worked about the first 5 years and she hasn't worked since.

Mr. RICE. In the past 5 or 6 years you have made joint returns?

Mr. SOUERS. Yes.

Mr. RICE. Your income includes anything she might have?

Mr. SOUERS. Yes, sir.

Mr. RICE. Do you have any bank account outside of the State of Maryland?

Mr. SOUERS. No, sir; never had one in my life.

Mr. RICE. Do you have any safe deposit boxes?

Mr. SOUERS. No, sir.

Mr. RICE. You are sure you do not have any other account anywhere?

Mr. SOUERS. No; I don't know of any other account. Those are the only ones I have.

Mr. RICE. Do you have an account in the Brooklyn Curtis Bank, division of the Annapolis Bank & Trust?

Mr. SOUERS. No, sir.

Mr. RICE. You do not have any account there?

Mr. SOUERS. No, sir.

Mr. RICE. Never have had an account there?

Mr. SOUERS. No, sir; not that I remember. It seems like I had a dollar in the Brooklyn Bank back in 1925 I believe. I have a dollar left in that account, in 1925.

Mr. RICE. Is that the one you were talking about before?

Mr. SOUERS. What do you mean before?

Mr. RICE. You said you had one in 1929. That was a checking account.

Mr. SOUERS. That was in Glen Burnie.

Mr. RICE. Glen Burnie?

Mr. SOUERS. Yes, sir.

Mr. RICE. What is your wife's name?

Mr. SOUERS. Viola.

Mr. RICE. And you had a dollar in the Annapolis Bank & Trust?

Mr. SOUERS. Brooklyn bank—I had a bankbook there, it's been, oh, in 1920-something. I believe I have still got a dollar in it.

Mr. RICE. In any event, you haven't had any bank transactions in the last 20 years there?

Mr. SOUERS. No, sir.

Mr. RICE. Do you know another man by the name of Souers?

Mr. SOUERS. Yes, sir; I know quite a few of them.

Mr. RICE. How about John F. Souers?

Mr. SOUERS. John F.?

Mr. RICE. Yes.

Mr. SOUERS. No. I know a Dr. Sawers, I know a Frank Sawers.

Mr. RICE. Are they related to you?

Mr. SOUERS. No, sir; none whatsoever. That is S-a-w-e-r-s.

Mr. RICE. You do not know of any other Souers?

Mr. SOUERS. No; I do not know any.

Mr. RICE. Johnny Mattox, do you know him?

Mr. SOUERS. No, sir.

Mr. RICE. Buss King?

Mr. SOUERS. No, sir.

Mr. RICE. How about Patty Clark?

Mr. SOUERS. No, sir.

Mr. RICE. Don't know him?

Mr. SOUERS. No, sir.

Mr. RICE. Sam Morgan?

Mr. SOUERS. Who?

Mr. RICE. Sam Morgan?

Mr. SOUERS. No, sir.

Mr. RICE. Never had any transactions with any of those people?

Mr. SOUERS. Positively not.

Mr. RICE. Ever receive any money from Lieutenant Wade?

Mr. SOUERS. No, sir.

Mr. RICE. Sure about that?

Mr. SOUERS. Positive.

Mr. RICE. How about Flannery, ever receive any money from him?

Mr. SOUERS. No, sir.

Senator KEFAUVER. Mr. Souers, it seems that Anne Arundel County was pretty wide open under your administration. What is the trouble?

Mr. SOUERS. Senator Kefauver, I couldn't say that truthfully, for this particular reason. Could I go into that and tell you about this police department, what I did have there and what has been going on, so you would understand?

Senator KEFAUVER. We want to give you a chance to say anything you want to about this.

Mr. SOUERS. What I have in mind is this, Senator. You take for granted we have a police department that would be similar to the State, Baltimore city, or Washington. We don't. We never did.

When I started the police department, we had two men. That is the way I started, and two men working for instance 12 hours at night time, one man at the desk, three men working a shift, two men in the car and one man in the station house, that is all.

Senator KEFAUVER. Beginning in 1950 you had 50 of them.

Mr. SOUERS. That is right, and I think I have still got one of the papers in my pocket here from 1950, if you would like to look at it. It will give you some idea. Is it all right to show it to you?

Senator KEFAUVER. Yes, sure.

Mr. SOUERS. I brought them over. I did a very, very good job in the last couple of years with the men I have now. As a matter of fact I am proud of what I did over there.

Senator KEFAUVER. Are these copies that you want to file for the record?

Mr. SOUERS. Yes, if you would like to have them you can have them, sir.

Senator KEFAUVER. They will be filed, not copied in the record, just made exhibits. Now this White House place was running?

Mr. SOUERS. Yes, sir.

Senator KEFAUVER. Knotty Pine Lodge was apparently running and Barbara Farms. Why didn't you close them up?

Mr. SOUERS. You are talking about the Barbara Farms, I knew nothing about that. The other places were closed up. Those places never

run continuously. They run and stop. Run for 6 or 7 months and there wouldn't be anybody around for 6 or 7 months, and then somebody would start to operate again. With the police I thought I was doing a good job.

SENATOR KEFAUVER. Did you check up, do you know who ran the places?

MR. SOUERS. Yes sir, at that time.

SENATOR KEFAUVER. It is hard to conceive of these places operating without the police knowing about it. If you knew about it, it seems like you ought to have closed them up.

MR. SOUERS. I think, Senator, if you knew what we had to do there with the amount of men we had—since that time if you notice, that we have taken care of that county good other than the one place the State knocked off over there, and I was tickled to death they come in and did it.

SENATOR KEFAUVER. They only come in when the local police do not do their job, do they not?

MR. SOUERS. I don't know it that way. They have the same police powers I have. They enforce laws at all times regardless of where they are at.

SENATOR KEFAUVER. Were you removed or what happened to you out there?

MR. SOUERS. They dismissed me and I was reinstated.

SENATOR KEFAUVER. Are you the chief now?

MR. SOUERS. No sir, I am retired.

SENATOR KEFAUVER. Who dismissed you?

MR. SOUERS. The police board.

SENATOR KEFAUVER. And you got reinstated. When did you get reinstated?

MR. SOUERS. Truthfully I couldn't answer that. It was about 15 days after that.

SENATOR KEFAUVER. Did you appeal?

MR. SOUERS. I took an appeal and I was reinstated because it was testified at the hearing that everything had been read. You two officers were right there.

SENATOR KEFAUVER. He testified to what now?

MR. SOUERS. He testified to hearsay evidence. He started off in his report that way. The commissioner reinstated me. I resigned because here not long ago you read in the paper 3½ miles outside of Glen Burnie there was a place knocked off, a still, by Federal agents, and it was supposed to be one of the biggest stills in the State of Maryland, and I know if I had been there at that time I would have been suspended again, and that is why I really got out.

I had some 20 years' service. I can retire on 20 years' service, and I thought well, I better get away from here because if something happens they are going to suspend me again, and I thought it was unfair because I was suspended for the State police knocking the place off.

I gave them credit for the job they did and I think it is a good thing for them to come into any county and at any time they see fit. It helps keep everything straight.

I recommended to our legislature here in 1951, the first part with the grand jury and the county commission, the State's attorney, that we should have a local law pertaining to wire service, and they asked me what I meant, and I told them this which I thought was good.

I said I know we can't outlaw to kill the service, but we can get a law which would be a benefit to everybody and that would be that anybody could get service pertaining to Muzak or whatever it was, would first have to file an application for a permit and the law would permit any law-enforcement officers to inspect that particular place that asked for a permit anytime, day or not. That way you would always know when service was going in and where and the officer could go in the same as a beer license and inspect a place. I tried to get that through this year before I come out of the police department. I couldn't get that through.

Senator KEFAUVER. How old are you now?

Mr. SOUERS. Fifty years old. I am almost 51.

Senator KEFAUVER. Anything else, Mr. Rice?

Mr. RICE. Yes. We have looked over some of your records, Mr. Souers, and see that you evidently built this store in 19—

Mr. SOUERS. Started in '46.

Mr. RICE. And you had a lien on that, did you not?

Mr. SOUERS. Eight thousand dollars on that; yes, sir.

Mr. RICE. Eight-thousand-dollar loan?

Mr. SOUERS. That is right.

Mr. RICE. And that was to the building and loan?

Mr. SOUERS. Yes, sir.

Mr. RICE. When did you pay off that loan?

Mr. SOUERS. This year.

Mr. RICE. How did you pay it off?

Mr. SOUERS. Paid the balance out on it.

Mr. RICE. Had you been paying it in monthly installments?

Mr. SOUERS. Yes, sir.

Mr. RICE. Was it an amortizing loan or did you pay some large curtailments?

Mr. SOUERS. I paid so much a month, and what I had there I put in the free-share book, and when I took the money out for my income tax, I think it was \$1,200, I had enough left in the free share to pay off the balance of the mortgage, and paid it off.

Mr. RICE. I do not follow that.

Mr. SOUERS. I put some money in the free-share book in it.

Mr. RICE. In the free-share book.

Mr. SOUERS. That is the savings account in the association, and I accumulated enough money there from my income tax, I paid my income tax and what I had left I paid off my mortgage.

Mr. RICE. How much was that? You had a \$8,000 mortgage.

Mr. SOUERS. That is right.

Mr. RICE. In 1948 you were paying interest of \$508.36?

Mr. SOUERS. Yes, sir.

Mr. RICE. That was interest on that mortgage, was it not?

Mr. SOUERS. Yes, sir.

Mr. RICE. Now that was then pretty near \$8,000. You had not made any curtailments then, had you?

Mr. SOUERS. What do you mean?

Mr. RICE. You had not made any big payments. You just made monthly payments.

Mr. SOUERS. Yes. I made one big payment there. If I had that book I could show you better. It is in the book.

Mr. RICE. What book is this you are talking about?

Mr. SOUERS. My building association books. Mr. Farrell has—

Mr. RICE. That is at the building and loan?

Mr. SOUERS. That is right, he has them.

Mr. RICE. That is what you paid out, not what you had?

Mr. SOUERS. What I paid out and paid in. He has got both the mortgage books I pay on and he has got the free share book, the one I save on.

Mr. RICE. The one you save on, where did you get the money that you saved?

Mr. SOUERS. From my income and my rent.

Mr. RICE. From your salary and your rent?

Mr. SOUERS. That is right.

Mr. RICE. You put it in there and then you turned it over and paid on your building?

Mr. SOUERS. That is right.

Mr. RICE. I see here that you paid interest of \$508.36 in 1948 and in 1949 your interest was only \$212.77, indicating that you reduced your mortgage by about 60 percent in that year.

Mr. SOUERS. Yes, that is right. I don't know whether that is just the dates or not. If I had the books I could show you. I paid \$1,500 plus three hundred some dollars rent money and my salary. In other words, my daughter sold her house in Arundel for \$10,000, \$10,500 I think it was, and she give to us back on the mortgage \$1,500, and she paid by that check that she got.

Mr. RICE. She owed you some money?

Mr. SOUERS. No; she helped us out on a mortgage.

Mr. RICE. Oh, she helped you out?

Mr. SOUERS. Yes, she took the check she got, the same check that she got from the house and paid it into the association on the mortgage.

Mr. RICE. So that you used that money that you got from her and helped to curtail the mortgage?

Mr. SOUERS. I can get you the number of the check.

Senator KEFAUVER. All right, that is all.

Anything else?

Mr. RICE. No.

Senator KEFAUVER. Thank you very much, Mr. Souers.

Mr. RICE. If we have any of your records, Mr. Souers, we will get in touch with you.

Mr. SOUERS. I would like to get my one book.

Senator KEFAUVER. Let us get his book back to him as quickly as possible.

Mr. JACKSON. Call at our office, room 900, HOLC Building, and we will return those to you this evening.

Mr. RICE. For the purpose of the record, Mr. Chairman, I would like to have Mr. Smith of the staff tell the results of his investigation at the hospital in Baltimore in connection with the record of the shooting.

Senator KEFAUVER. All right, Mr. Smith.

Mr. SMITH. Records of the South Baltimore General Hospital show that one Sidney Rosen of 1309 North Charles Street, Baltimore, Md., was admitted on May 6, 1945, at 4 a. m. suffering a diagnosis gunshot wound of right hip and left hand. This subject was assigned room No. 202 in the hospital and remained there 6 weeks.

Birthplace of subject was Russia. Religion, Hebrew. Father, Hyman Rosen. Mother, Raechel Rosen. Nearest kin, Hyman Frankel, 110 Jackson Place. Surgeon, Dr. James Herbert Wilkerson of 1200 St. Paul Street. This doctor died 1949.

Bullet was removed from right buttock on May 8, 1945. Hyman Frankel brought subject to hospital; stated shooting was accidental. Subsequent investigation showed 1309 North Charles Street to be an incorrect address.

(Whereupon, at 4:50 a. m., the hearing was adjourned.)

ORGANIZED CRIME IN INTERSTATE COMMERCE

WEDNESDAY, AUGUST 8, 1951

UNITED STATES SENATE,
SUBCOMMITTEE OF THE SPECIAL COMMITTEE TO INVESTIGATE
ORGANIZED CRIME IN INTERSTATE COMMERCE,
Washington, D. C.

The committee met, pursuant to adjournment, at 10:15 a. m., in room 457, Senate Office Building, Senator Estes Kefauver presiding.

Present: Senators O'Connor (chairman), Kefauver (presiding), Hunt, and Wiley.

Also present: Richard G. Moser, chief counsel; Downey Rice, associate counsel; and Wallace Reidt and Nicholas John Stathis, assistant counsel.

The CHAIRMAN. The hearing will please come to order.

We desire to announce that pursuant to the resolution of the full committee the Chair is authorized to designate a subcommittee to conduct this hearing and pursuant to that authorization the Chair has designated a subcommittee consisting of the Senator from Tennessee, Mr. Kefauver; the Senator from Wisconsin, Mr. Wiley; the Senator from Wyoming, Mr. Hunt, and the Senator from Maryland, with the usual provision that any one of the members of the subcommittee will constitute a quorum.

The Chair will also request the able Senator from Tennessee, Mr. Kefauver, to act as presiding officer at this session, which incidentally we may have to change the location of in order to have hearings at the Capitol because of another committee that is meeting today at which Senator Hunt and I have to be in attendance, and then tomorrow when the call of the calendar has been scheduled as well as a very important vote in the Senate, at which Senator Kefauver will have a very important part, that will be announced as we go along.

Senator Kefauver, will you be good enough to preside.

Senator KEFAUVER. Who is our first witness, Mr. Rice?

Mr. RICE. Mr. Leonard J. Matusky.

Senator KEFAUVER. Mr. Matusky, will you come around. Mr. Matusky, do you solemnly swear the testimony you give the committee will be the whole truth, so help you God?

Mr. MATUSKY. I do.

TESTIMONY OF LEONARD J. MATUSKY, BALTIMORE, MD., ACCOMPANIED BY MORRIS T. SIEGEL, ATTORNEY, BALTIMORE, MD.

Senator KEFAUVER. Now, Mr. Matusky, you are represented by counsel, are you not?

Mr. SIEGEL. Morris T. Siegel, sir.

Senator KEFAUVER. Mr. Siegel, will you give your address, please.

Mr. SIEGEL. 110 East Lexington Street, Baltimore 2, Md.

Senator KEFAUVER. You are Leonard J. Matusky?

Mr. MATUSKY. That is right, sir.

Senator KEFAUVER. Mr. Matusky, for the purpose of the record, what is your home address?

Mr. MATUSKY. 1553 Sheffield Road.

Senator KEFAUVER. And what is your business address?

Mr. MATUSKY. 210 East Redwood.

Senator KEFAUVER. Mr. Matusky, if you can, we would appreciate it if you would raise your voice a little, since we have difficulty in hearing.

Mr. Downey Rice is counsel today, I believe, in questioning the witnesses. Will you proceed, Mr. Rice.

Mr. RICE. What is your business, Mr. Matusky?

Mr. MATUSKY. General news and sports and wire music service.

Mr. RICE. What is the name of your organization?

Mr. MATUSKY. World-Wide News and Music Service, Inc.

Mr. RICE. World-Wide News and Music?

Mr. MATUSKY. Incorporated.

Mr. RICE. Where is the business office?

Mr. MATUSKY. 210 East Redwood.

Mr. RICE. Baltimore?

Mr. MATUSKY. That is right.

Mr. RICE. Is that a corporation?

Mr. MATUSKY. That is right.

Mr. RICE. Who are the corporate officers?

Mr. MATUSKY. Why, I think I gave that information.

Senator KEFAUVER. All right, Mr. Matusky, just tell us who they are.

Mr. MATUSKY. I am the president of the company.

Mr. RICE. You are the president?

Mr. MATUSKY. That is right, sir.

Mr. RICE. Yes, sir.

Mr. MATUSKY. My wife is secretary and treasurer.

Mr. RICE. I didn't hear the name.

Mr. MATUSKY. My wife.

Mr. RICE. What is her name?

Mr. MATUSKY. Gertrude E., secretary and treasurer, and the vice president is Sanford Niles.

Mr. RICE. Sanford Niles?

Mr. MATUSKY. That is right, N-i-l-e-s.

Mr. RICE. Where does Mr. Niles live?

Mr. MATUSKY. Why, he is from Chicago. I don't know where he is at now.

Mr. RICE. He is from Chicago?

Mr. MATUSKY. That is right.

Mr. RICE. And you say you don't know where he is now?

Mr. MATUSKY. No, I don't.

Mr. RICE. He is an officer of your company?

Mr. MATUSKY. That is right.

Mr. RICE. How do you get hold of him?

Mr. MATUSKY. I can't get hold of him now. He left sometime in March, approximately around the second week in March, and I talked to him once since then.

Mr. RICE. Where did you talk to him?

Mr. MATUSKY. In Baltimore. He made a trip to Baltimore. That is, I would say, 6 or 7 weeks ago.

Mr. RICE. Has he disappeared?

Mr. MATUSKY. I don't know whether he has or not. He hasn't gotten in touch with me.

Mr. RICE. Do you consider him a missing person?

Mr. MATUSKY. Not necessarily. Probably if I tried I could get in touch with him.

Mr. RICE. How would you do that?

Mr. MATUSKY. I would call his home. He was living with his mother.

Mr. RICE. Where was that?

Mr. MATUSKY. That is in Chicago. I don't have the address with me.

Mr. RICE. You have that at your office?

Mr. MATUSKY. That is right.

Mr. RICE. You would call him there?

Mr. MATUSKY. That is right.

Mr. RICE. You say he is vice president?

Mr. MATUSKY. That is right.

Mr. RICE. And also a stockholder?

Mr. MATUSKY. That is right; he owns the stock.

Mr. RICE. Is he on a salary?

Senator KEFAUVER. Does he own all the stock?

Mr. MATUSKY. That is right, sir; all the stock is in his name.

Mr. RICE. He owns all the stock?

Mr. MATUSKY. That is right.

Mr. RICE. And it is his company, then?

Mr. MATUSKY. That is right.

Mr. RICE. And he is from Chicago?

Mr. MATUSKY. That is right.

Mr. RICE. How does it happen that this man from Chicago—did he set the company up?

Mr. MATUSKY. No; I set the company up, in 1939, I believe.

Mr. RICE. You set it up?

Mr. MATUSKY. That is right.

Mr. RICE. How did you become connected with Mr. Niles?

Mr. MATUSKY. Why, I originally became connected with a man named McInerney.

Mr. RICE. What is his first name?

Mr. MATUSKY. John D. I think that is his middle initial.

Mr. RICE. Where is he from?

Mr. MATUSKY. I believe he is originally from Chicago, but he has been around Baltimore, I believe, about 15 years.

Mr. RICE. All right, sir. That is John McInerney?

Mr. MATUSKY. That is right.

Mr. RICE. You were connected with him. Then what happened?

Mr. MATUSKY. He sold his stock to Niles. I do not know just what he paid for it or anything. As far as I know the stock was sold to Niles.

Mr. RICE. And you were president all the time?

Mr. MATUSKY. That is right, sir.

Mr. RICE. Would you say you were front man for them?

Mr. MATUSKY. No; I was not a front man for them.

Mr. RICE. How do you account for your being president? You do not own stock and these fellows are from Chicago. It does not seem very reasonable, you being a Baltimore man.

Mr. MATUSKY. Well, I do not know what you mean by not seeming to be reasonable. What do you mean?

Mr. RICE. How did you get connected with these fellows from Chicago to do business in Baltimore?

Mr. MATUSKY. McInerney, like I told you, he has been in Baltimore the past 15 years.

Mr. RICE. What is he doing? What is his business?

Mr. MATUSKY. As far as I know, he was connected with Howard Sports.

Mr. RICE. He is connected with Howard Sports?

Mr. MATUSKY. That is right.

Mr. RICE. That is a wire service?

Mr. MATUSKY. That is right.

Mr. RICE. I see. How did you get connected with them?

Mr. MATUSKY. Well, I was—he come in and wanted to buy into the business, and we made an agreement and that is how that happened.

Mr. RICE. Did you already have a business?

Mr. MATUSKY. Yes.

Mr. RICE. What business did you have?

Mr. MATUSKY. The same business as operating now, World-Wide News.

Mr. RICE. Who backed you in that before McInerney came in?

Mr. MATUSKY. No one backed me in that.

Mr. RICE. He came in and wanted to buy in and you sold him?

Mr. MATUSKY. That is right.

Mr. RICE. It was your own business before that?

Mr. MATUSKY. That is right.

Mr. RICE. Did he muscle in?

Mr. MATUSKY. No; I would not say he muscled in; no.

Mr. RICE. Why did you want to sell?

Mr. MATUSKY. Well, for one reason, I wanted to have more time to get away and have someone around that could take care of the business and give me a chance to get away.

Mr. RICE. He came in and took care of it?

Mr. MATUSKY. Yes.

Mr. RICE. He is a man from Chicago?

Mr. MATUSKY. No; he has been in Baltimore, I think, for about 15 years. I may be wrong, but I know he has been here a little while. He is originally from Chicago.

Mr. RICE. He came in and took care of it for a while and you had nothing to do, I take it, with the transaction under which Mr. Niles took over?

Mr. MATUSKY. No, sir.

Mr. RICE. But it was agreeable with you?

Mr. MATUSKY. That is right.

Mr. RICE. Mr. Niles does not spend any time around there, does he?

Mr. MATUSKY. He doesn't now.

Mr. RICE. Did he ever?

Mr. MATUSKY. Yes; he did, up until the first or second week in March he was in every day.

Mr. RICE. What did he do?

Mr. MATUSKY. Well, he acted as vice president and, of course, owning the stock issued orders.

Mr. RICE. What sort of compensation does Mr. Niles get or has he received in the past?

Mr. MATUSKY. Well, he hasn't received anything since March.

Mr. RICE. What happened in March? What did he have before March?

Mr. MATUSKY. Prior to that he received \$125 a week.

Mr. RICE. Straight salary?

Mr. MATUSKY. That is right.

Mr. RICE. For his job doing what?

Mr. MATUSKY. As vice president.

Mr. RICE. What did he do?

Mr. MATUSKY. He managed the office.

Mr. RICE. He talked to the customers?

Mr. MATUSKY. That is right.

Mr. RICE. And he sold the service?

Mr. MATUSKY. That is right, wherever he could, he did.

Mr. RICE. Made the decisions and did the hiring and firing?

Mr. MATUSKY. That is right.

Mr. RICE. What happened in March?

Mr. MATUSKY. Well, the business was not making any money and only one reason I can account for him leaving is because business was not making any money and he just left.

Mr. RICE. Business has been pretty good generally over the country. What happened in March so that the business was not making money?

Mr. MATUSKY. That is something that I could not answer. The business just dropped off in March, got to a point where it wasn't making any money.

Mr. RICE. You did not analyze the reason why it wasn't?

Mr. MATUSKY. I would say the publicity we have been getting hasn't been good publicity and, of course, that would be one reason.

Mr. RICE. Did that have anything to do with your appearance before a grand jury in March?

Mr. MATUSKY. I wouldn't know whether it has anything to do. That would probably have something to do with it.

Mr. RICE. What did Mr. Niles do when he left? Did he say "Take me off the payroll. I am leaving"?

Mr. MATUSKY. I do not believe I was around when he left. I think he just drew out \$400 and left town.

Mr. RICE. He just took over?

Mr. MATUSKY. That is right.

Mr. RICE. And if you wanted to get hold of him you might find him?

Mr. MATUSKY. I might try his home.

Mr. RICE. Was there a time when you had an officer by the name of Roscoe Odle?

Mr. MATUSKY. That is right. He was prior to McInerney. Roscoe Odle owned, I think, 45 or 50 percent of the stock.

Mr. RICE. Who was Odle? O-d-l-e, isn't it?

Mr. MATUSKY. I think it is O-d-l-e.

Mr. RICE. Who is he?

Mr. MATUSKY. As far as I know, he is a trackman. He gathers information from the different race tracks.

Mr. RICE. Tell us how Roscoe Odle got into the company?

Mr. MATUSKY. Well, he got in the same as McInerney. He come into the company and asked me if I wanted someone to help me out in the business, which, of course, I wanted someone to help me out in the business, with the understanding that he would spend some time and I could get away from the business.

Mr. RICE. Yes.

Mr. MATUSKY. That is how Odle got into the business. That was sometime——

Mr. RICE. When was it Odle came in?

Mr. MATUSKY. Well, I cannot give you that exactly. Approximately 1947 sometime.

Mr. RICE. About 1947 Odle came in?

Mr. MATUSKY. That is right.

Mr. RICE. He went on a salary basis then?

Mr. MATUSKY. That is right.

Mr. RICE. What did he get in the way of compensation?

Mr. MATUSKY. I do not recall. I think it was \$125, but I am not sure.

Mr. RICE. What were his duties?

Mr. MATUSKY. Well, his duties were to take and in one way to protect the news for me.

Mr. RICE. Do what?

Mr. MATUSKY. To protect the news for me.

Mr. RICE. Protect the news?

Mr. MATUSKY. Right.

Mr. RICE. What does that mean?

Mr. MATUSKY. He was a trackman, and in some cases where we would be having wire trouble I could always call him wherever he might be and get that information.

Mr. RICE. What do you mean "he was a trackman"?

Mr. MATUSKY. He gathered the news from the different race tracks.

Mr. RICE. For you?

Mr. MATUSKY. Not for me; no. For, as far as I know, Howard.

Mr. RICE. Let me see if I have that straight now. Did you say he was gathering news from the tracks? You mean he was a "wig-wag man"?

Mr. MATUSKY. I do not know just how he does it, but he was one of the men; I think he was in charge of the crew.

Mr. RICE. In charge of the track crew that goes around to the race tracks and uses a telescope or something to look at the tote board?

Mr. MATUSKY. Right.

Mr. RICE. He was in charge of the crew?

Mr. MATUSKY. Yes.

Mr. RICE. He was working for Howard Sports?

Mr. MATUSKY. Yes, sir.

Mr. RICE. On their payroll?

Mr. MATUSKY. That is right.

Mr. RICE. At the same time he was on your payroll?

Mr. MATUSKY. That is right.

Mr. RICE. What did he do for you?

Mr. MATUSKY. Well, some time he—he spent some time around; he did not necessarily go out to the race track every day; he had his crew, and he would be around, I would say, around town more than he would be around to the race tracks.

Mr. RICE. You see the situation you have given us. You have here a man who is, on the one hand, working for Howard Sports, which is a wire service outfit—

Mr. MATUSKY. That is right.

Mr. RICE. Ostensibly they sold the wire service to you.

Mr. MATUSKY. That is right.

Mr. RICE. You had no connection with Howard Sports?

Mr. MATUSKY. No; I didn't at no time.

Mr. RICE. You had a separate entity?

Mr. MATUSKY. That is right.

Mr. RICE. No connection with Howard Sports?

Mr. MATUSKY. That is right.

Mr. RICE. Roscoe Odle, who was the trackman gathering the information at the tracks, was working for them and also working for you. It is not understandable what he was doing for you.

Mr. MATUSKY. Well, my understanding when Roscoe bought into my company, that he was going to take and resign as far as Howard is concerned, but he never did.

Mr. RICE. He kept right on working?

Mr. MATUSKY. He kept right on working; he kept right on working for both companies. In fact, I asked him at one time, "I don't believe that is right. You working for two companies. I would much rather you got out one way or the other."

Mr. RICE. You say he bought stock in the company?

Mr. MATUSKY. Yes, sir.

Mr. RICE. Who did he buy it from?

Mr. MATUSKY. Bought it from me.

Mr. RICE. Bought it from you?

Mr. MATUSKY. That is right.

Mr. RICE. Wasn't that the time McInerney had it?

Mr. MATUSKY. No; McInerney came in a year later.

Mr. RICE. Then McInerney came along.

Mr. MATUSKY. That is right.

Mr. RICE. How long was Odle with the company?

Mr. MATUSKY. I would say approximately a year; maybe a little more.

Mr. RICE. Where is Odle now?

Mr. MATUSKY. Where he lives I do not know.

Mr. RICE. How did he come to be separated from the company?

Mr. MATUSKY. He is not separated.

Mr. RICE. He is still associated?

Mr. MATUSKY. That is right. When we made the agreement with McInerney, we made a deal whereby I was to get so much a week and Odle was to get so much a week.

Mr. RICE. Yes. Does he still draw that?

Mr. MATUSKY. He is not now. There is no money for him to draw; there is no money for me to draw.

Mr. RICE. As a matter of fact, then, he has never become disassociated with the company?

Mr. MATUSKY. No; he hasn't.

Mr. RICE. He still owns stock, does he not?

Mr. MATUSKY. No; the stock, he does not own stock. The stock is owned by Niles.

Mr. RICE. I could not hear what became of the stock.

Mr. MATUSKY. The stock was issued, right now it is issued in the name of Niles.

Mr. RICE. In the name of Niles?

Mr. MATUSKY. That is right.

Mr. RICE. Who owns it?

Mr. MATUSKY. That is right, with the notation that stock cannot be disposed of until this agreement we made with McInerney, the original agreement for 20 years—

Mr. RICE. What became of Odle's interest?

Mr. MATUSKY. Well, he is still in as far as the interest, the stock cannot be disposed of; he still has part of the company.

Mr. RICE. Is he holding it for Niles?

Mr. MATUSKY. Does what?

Mr. RICE. Is he holding it for Niles?

Mr. MATUSKY. No; he is not.

Mr. RICE. It is his own stock?

Mr. MATUSKY. That is right.

Mr. RICE. He can't sell it?

Mr. MATUSKY. Until 20 years he cannot sell the stock.

Mr. RICE. Twenty years?

Mr. MATUSKY. Twenty years.

Mr. RICE. Where is Odle?

Mr. MATUSKY. I wouldn't know.

Mr. RICE. When was the last time you saw him?

Mr. MATUSKY. I would say it was some time in May.

Mr. RICE. What year?

Mr. MATUSKY. This year.

Mr. RICE. May 1951. Where did you see him?

Mr. MATUSKY. He came into my office.

Mr. RICE. In Baltimore?

Mr. MATUSKY. That is right. Just stopped in.

Mr. RICE. Where does Odle live? What is his home town?

Mr. MATUSKY. Baltimore is his home town.

Mr. RICE. Baltimore?

Mr. MATUSKY. Yes.

Mr. RICE. Do you know where he lives there?

Mr. MATUSKY. I don't know. I do have the address in the office, but I do not know exactly. I have been there many times. It is in Lincoln Heights—not Lincoln Heights—close to St. Mary's Industrial School.

Mr. RICE. In that neighborhood.

How would you get hold of Odle if you wanted to get in touch with him?

Mr. MATUSKY. I would have to call his home and find out if his wife knew where he was. I would try to get hold of him.

Mr. RICE. Do you think you could do that?

Mr. MATUSKY. No; I do not think so.

Mr. RICE. You do not think that you could?

Mr. MATUSKY. I have called his wife, not recently, and she told me she does not know where he is.

Mr. RICE. His wife does not know?

Mr. MATUSKY. That is right.

Mr. RICE. He has disappeared, too?

Mr. MATUSKY. Apparently he has, from what I read.

Mr. RICE. For the record, Mr. Chairman, the committee has been seeking this stockholder of the company since September and has been unsuccessful in locating him.

If you do get any information about him, we would appreciate knowing about it.

Mr. MATUSKY. Yes.

Senator KEFAUVER. Is that Mr. Niles?

Mr. RICE. Roscoe Odle.

Senator KEFAUVER. What is the last that was heard of him?

Mr. RICE. The Senator would like to know what was the last you heard of him?

Mr. MATUSKY. He was in the office in May and last week he called me from Asbury Park.

Senator KEFAUVER. From where?

Mr. MATUSKY. Asbury Park, N. J., by phone. I think at that time he told me he would be in town, I think it was on Wednesday or Tuesday, and he told me he would be in town the next day or so, but he never showed up.

Mr. RICE. Did he call you collect?

Mr. MATUSKY. No; the only way I knew it was Asbury Park, one of the men, the operator, came in and said, "It is Asbury Park," and one of my men answered the phone and said, "Roscoe is on the phone and wants to talk to you."

Mr. RICE. What did he have to say?

Mr. MATUSKY. Nothing. Just asked me about business conditions and, of course, they aren't good, and I told him that, and he was to come in and discuss what to do about the business.

Mr. RICE. He would come in and discuss it?

Mr. MATUSKY. That is what he told me he was going to do.

Mr. RICE. When was he taken off the payroll?

Senator WILEY. Excuse me.

Senator KEFAUVER. Senator Wiley.

Senator WILEY. Did you know at that time that the committee was looking for him?

Mr. MATUSKY. No. The first I knew that the committee was looking for him was when I read in the paper; that was just a few days ago. He had not talked to the committee—that was, I would say, last week, Wednesday or Thursday. In fact, I am sure it was Wednesday when he called me. It was Wednesday of last week, and I knew nothing about the committee looking for him at that time.

Senator WILEY. Is it your impression that he is deliberately keeping out of the way?

Mr. MATUSKY. Well, I do not know.

Senator WILEY. Do you know, if that is true, why he is keeping out of the way?

Mr. MATUSKY. I would not know what his reason is. Apparently he must be if his wife does not know where he is at; I imagine you contacted his wife, and if she does not know where he is at——

Senator WILEY. Have you any idea as to why he refuses to be subpoenaed?

Mr. MATUSKY. No, sir; I do not.

Senator WILEY. Haven't you the slightest suspicion?

Mr. MATUSKY. No.

Senator WILEY. Thank you.

Mr. RICE. When was the last time he received any money from World-wide News and Music?

Mr. MATUSKY. That is something I would not know. It was sometime last year.

Mr. RICE. You are talking about 1950?

Mr. MATUSKY. That is right; sometime in 1950.

Mr. RICE. And at that time was he drawing a weekly compensation?

Mr. MATUSKY. A weekly salary of \$200.

Mr. RICE. \$200?

Mr. MATUSKY. That is right.

Mr. RICE. Now what caused the termination of those payments?

Mr. MATUSKY. The company was not making any money.

Mr. RICE. The company started not making any money?

Mr. MATUSKY. That is right.

Mr. RICE. What month?

Mr. MATUSKY. Well, I mean it was sometime, I would say—I am only guessing, I do not have my records here; I was not asked to bring anything over, and I would be guessing, I do not know.

Mr. RICE. You are the president of the company and managing and running it?

Mr. MATUSKY. I would not say, I have since Niles left, but I would not say I managed the company or anything like that. I could not do it but by agreement, so long as my agreement was fulfilled.

Mr. RICE. We won't labor that point. When was the last time he got money and what was the reason for the termination?

Mr. MATUSKY. It was sometime in 1950, and we were not making enough money to pay him.

Mr. RICE. Could you fix the month as to the fall or summer?

Mr. MATUSKY. I would say it would be somewhere in July or August; could be June—I do not know.

Mr. RICE. That you started—that you stopped making money; is that right?

Mr. MATUSKY. Right.

Mr. RICE. Who made the decision to cut him off that payroll?

Mr. MATUSKY. In that particular case Niles made the decision.

Mr. RICE. Niles made the decision?

Mr. MATUSKY. Yes, sir.

Mr. RICE. When would you say the last payment of any sort—dividend, salary or compensation, expense money—was made to Odle?

Mr. MATUSKY. About the same time.

Mr. RICE. About the same time?

Mr. MATUSKY. Right.

Mr. RICE. He has not drawn anything since?

Mr. MATUSKY. That is right.

Mr. RICE. Did he complain about that?

Mr. MATUSKY. Well, I was not the one who told him he wasn't going to receive any money, so I do not know whether he complained, but I think he at that time was getting money from Howard.

Mr. RICE. A little while ago you said that the company was not making any money in March 1951, and now you put it back in the summer of 1950. Which was it?

Mr. MATUSKY. Well, in March the company did not make enough money to pay me or Niles or anyone else. In June it was enough money to pay me and Niles and not enough to pay Odle.

Mr. RICE. You say your company sells what?

Mr. MATUSKY. Wired music.

Mr. RICE. Wired music?

Mr. MATUSKY. Wired music, race results, baseball, anything in the sporting line. They operate 7 days a week; they did also operate that during the racing black-out; lost no accounts. We operated; I think we had a black-out approximately 6 or 7 months, and we did not close up. We operated all during that time.

Mr. RICE. What is a racing black-out?

Mr. MATUSKY. I think it was Mr. Byrnes at that time who ordered all the race tracks or asked them to close, and all the race tracks closed so there was no racing for that period.

Mr. RICE. During the war?

Mr. MATUSKY. That is right. But we continued to operate and did not lose any accounts.

Mr. RICE. Where do you get your racing news?

Mr. MATUSKY. From the Howard Sports Daily.

Mr. RICE. From Howard Sports Daily?

Mr. MATUSKY. Yes.

Mr. RICE. In Baltimore?

Mr. MATUSKY. Yes, sir.

Mr. RICE. With whom do you do business in Howard Sports?

Mr. MATUSKY. With Bilson—Harry Bilson.

Mr. RICE. Harry Bilson, president?

Mr. MATUSKY. Yes, sir.

Mr. RICE. Did you know that McInerney, who was an officer of your company, is also an officer of Howard Sports?

Mr. MATUSKY. At that time I did not; no.

Mr. RICE. Do you know it now?

Mr. MATUSKY. Yes, sir.

Mr. RICE. McInerney never told you that?

Mr. MATUSKY. He told me after the deal was made that he was getting paid also from Howard, but I did not know it prior to that. I knew he worked for Howard, but I did not know that after he made the deal—

Mr. RICE. What are your contract arrangements with Howard Sports? How much do you pay for the service?

Mr. MATUSKY. At present I am not paying anything for the service.

Mr. RICE. When did you pay some; what were your arrangements?

Mr. MATUSKY. The lowest rate was a hundred dollars; and the highest rate was \$300.

Mr. RICE. Per what?

Mr. MATUSKY. Per week.

Mr. RICE. The lowest rate you paid was one hundred a week?

Mr. MATUSKY. That is right.

Mr. RICE. And the highest was three hundred?

Mr. MATUSKY. Yes.

Mr. RICE. How do you fix those rates that you pay Howard Sports? Do you have a contract on that?

Mr. MATUSKY. We have nothing written—no contract, no agreement.

Mr. RICE. No agreement; nothing written?

Mr. MATUSKY. No. As a matter of fact, at the time McInerney made the deal we paid them just a hundred dollars and \$10 taxes—\$110. Then later after this deal was made with McInerney, then the News was raised, or they asked for more money; I do not know what happened. Anyway, I was told they wanted more money, and I did not care who got the money as long as I got whatever my agreement called for; as long as I got my money.

Mr. RICE. After the rate went up, did it drop?

Mr. MATUSKY. I don't understand the question.

Mr. RICE. The rate went from a hundred to three hundred?

Mr. MATUSKY. That is right.

Mr. RICE. Then dropped down again?

Mr. MATUSKY. Not all at once. I would say it went from maybe two hundred and then two fifty and then three hundred.

Mr. RICE. Who negotiates those payments?

Mr. MATUSKY. Well, I do not know. I was told——

Mr. RICE. You didn't?

Mr. MATUSKY. I didn't; no.

Mr. RICE. Going back, say, to January 1951, what were you paying?

Mr. MATUSKY. I do not recall whether we were paying anything then. We may have, but I am not sure.

Mr. RICE. When did you stop paying them?

Mr. MATUSKY. That is something I cannot tell you.

Mr. RICE. Are you still getting service?

Mr. MATUSKY. That is right.

Mr. RICE. And you are not paying for it?

Mr. MATUSKY. That is right.

Mr. RICE. How do you account for it?

Mr. MATUSKY. Only one reason. I had been buying news from them for the past 12 years, and they probably know as well as everyone else I have not been making money and I am not able to pay for it.

Mr. RICE. How long has that been going on?

Mr. MATUSKY. I could not tell the exact date. I would have to have books.

Mr. RICE. Within 6 months?

Mr. MATUSKY. Within 6 months?

Mr. RICE. Yes.

Mr. MATUSKY. It could have been; I know sometime last year at the time we cut Roscoe off, I think we stopped paying them for a while; we stopped paying Howard. Then again we started paying Howard a month or two later.

Mr. RICE. Things got better?

Mr. MATUSKY. That is right; business was better.

Mr. RICE. Started paying again?

Mr. MATUSKY. Yes, sir.

Mr. RICE. You stopped paying when?

Mr. MATUSKY. That is something I could not tell you.

Mr. RICE. Was it around Christmastime?

Mr. MATUSKY. It could have been.

Mr. RICE. During the time they were running in Florida?

Mr. MATUSKY. Could have been about that time.

Mr. RICE. Let's be more exact on that. Was it when they were running in Florida?

Mr. MATUSKY. I can't be exact. I can't give you within 2 or 3 months, unless I have my books—if I have my books I can give you the exact date.

Mr. RICE. Would you say it was 6 months ago you stopped paying?

Mr. MATUSKY. Yes.

Mr. RICE. At least 6 months you have been getting racing news from Howard and not paying for it?

Mr. MATUSKY. That is right.

Mr. RICE. Do you have any agreement about making that up to them when you begin making money again?

Mr. MATUSKY. I have no agreement about making it up to them, no, sir.

Mr. RICE. That is just gratuitous on their part; they gave it to you free?

Mr. MATUSKY. Not necessarily. I think they expect to be paid if we get to a point we make money again, I think they expect to get paid.

Mr. RICE. But you have no agreement on that?

Mr. MATUSKY. No, sir, I have not.

Mr. RICE. Who do you sell the service to?

Mr. MATUSKY. I think you have the list of the accounts. They are just about the same as what I gave you.

Mr. RICE. What sort of people are they? Who are they?

Mr. MATUSKY. People interested in our service.

Mr. RICE. Who are they? Who is one of them?

Mr. MATUSKY. I would not know them by name. What I have, I am not using any more private lines. What I am keeping, like I testified last time here, is enough to keep my amplifiers in the different exchanges.

Mr. RICE. For the benefit of the chairman, what do you mean by amplifiers? What do you do? How do you work it? You get service over Western Union?

Mr. MATUSKY. Over a network. We have no control other than call-ins.

Our man broadcasts direct from the exchange, C. & P. Telephone Co.; their master exchange in Baltimore is Plaza. That is relayed to the different exchanges in the city.

Mr. RICE. Over the telephone wires?

Mr. MATUSKY. Yes, sir; over the telephone wires.

Mr. RICE. Your man gets the information from Howard?

Mr. MATUSKY. And he repeats it.

Mr. RICE. He broadcasts to a microphone?

Mr. MATUSKY. Yes, sir.

Mr. RICE. That goes to the telephone company office?

Mr. MATUSKY. Yes, sir.

Mr. RICE. That is fanned out?

Mr. MATUSKY. That is reamplified out to these different exchanges.

Mr. RICE. Who tells the telephone company where to "fan it out"?

Mr. MATUSKY. Whenever we receive an account, I get the order, or whoever is around, we call the telephone company; give them the order, the location, the man's name and, in turn, the telephone com-

pany sends an inspector out. They inspect the location. If they think it is a proper place to have that type of service, they install it. If they don't they refuse to install it, which happened quite a few times.

Mr. RICE. They hook up a wire and give a loud speaker at the end of it at your instruction?

Mr. MATUSKY. Yes, sir.

Mr. RICE. Where do these negotiations take place with the customers? In the office?

Mr. MATUSKY. At times, and at times they call in, call in by telephone and give you the information that is necessary, the name of the tavern, the man's name and address.

Mr. RICE. In the case of a man who walks in and negotiates with you, do you have a contract with him?

Mr. MATUSKY. No, sir.

Mr. RICE. What arrangements do you make?

Mr. MATUSKY. We just tell him what the service is, the price of the service; the order is issued to the telephone company, if they have facilities, or it is a proper place, the line is installed.

Mr. RICE. Now, about the price of the service, how do you charge them, by the week?

Mr. MATUSKY. By the week; yes, sir.

Mr. RICE. And is the price the same to everyone?

Mr. MATUSKY. The price is the same—not to everyone, no. We have some accounts that do not commercialize, for instance, that use it for their own benefit. Their price is very low. Most of those people are away, are horse owners, away out of town, and they probably do not use the service over 2 or 3 months in that whole year.

In their case their rate is lots lower than anyone that commercializes.

Mr. RICE. They pay by the week?

Mr. MATUSKY. No.

Mr. RICE. What is the average they pay for the week?

Mr. MATUSKY. Anyone who commercializes in public places averages \$40 or \$50 a week.

Mr. RICE. \$40 or \$50 a week?

Mr. MATUSKY. That is right.

Mr. RICE. How many customers do you have now?

Mr. MATUSKY. Right now I have five.

Mr. RICE. You have five?

Mr. MATUSKY. That is right.

Mr. RICE. And can you name one of those?

Mr. MATUSKY. I have nothing but call-ins, and they call in with the number. They give me a number. They call in for the service, and they want to know if they can buy the service. Of course we tell them yes, and tell them how much the service will cost them and the names would not mean anything that they give me, anyway. They give a name, "Charlie," or "George," and we assign a number. They call in and say, "This is 5," and they get the result and they hang up.

Mr. RICE. So the set-up now is this: A voice calls you up on the telephone and says, "I would like to have the service," you say, "Fine."

Mr. MATUSKY. Or they may come in.

Mr. RICE. "How much will it be?" And you say, "\$40"?

Mr. MATUSKY. That is right.

Mr. RICE. You say, "Who are you?" He says, "I am Joe Doakes."

You say, "All right, Doakes. Your number will be 31"?

Mr. MATUSKY. That is right.

Mr. RICE. Now, then, how do you get the service to the man?

Mr. MATUSKY. He calls in by telephone and he does not stay in. He just calls in and in lots of cases I have some accounts who probably do not call in over there of four times a day.

Mr. RICE. Doakes will call in and say, "I am 31 calling in. What is the answer on the Third?"

Mr. MATUSKY. And we give it to him.

Mr. RICE. He calls direct to the office?

Mr. MATUSKY. That is right.

Mr. RICE. Doesn't go through the telephone company?

Mr. MATUSKY. That is right, the only thing we are piping through the telephone company is wired music.

Mr. RICE. Doakes comes up for the racing services, he is just a number to you, no identification on him?

Mr. MATUSKY. That is right.

Mr. RICE. How does he pay off? How does he pay for it?

Mr. MATUSKY. Normally he comes up and pays for the service.

Mr. RICE. He comes up to the office?

Mr. MATUSKY. That is right; or sends someone up. It is not always the same person, but someone with the number.

Mr. RICE. "I am paying for account No. 31."?

Mr. MATUSKY. Forty-five or thirty-one, or whatever it is.

Mr. RICE. What are your account numbers? Can you remember one of those?

Mr. MATUSKY. I can remember one. Forty-five. We have 45.

Mr. RICE. Forty-five is active now?

Mr. MATUSKY. Yes, sir.

Mr. RICE. But you do not know who 45 is?

Mr. MATUSKY. No, sir, I do not.

Mr. RICE. Don't have the vaguest idea?

Mr. MATUSKY. No, sir.

Mr. RICE. Could be a policeman, could it not?

Mr. MATUSKY. It could be. If it was a policeman I would sell him news the same as I would anyone else. In fact, I think, according to my public service commission order I am forced to sell news to anyone that wants news.

Mr. RICE. So if the man had a criminal record a yard long, it would not make any difference to you, would it?

Mr. MATUSKY. If I knew it, it would make a lot of difference to me, because I would not sell him.

Mr. RICE. I thought you said you had to sell it to anyone who wanted it.

Mr. MATUSKY. Not if he had a criminal record.

Mr. RICE. Does a criminal record preclude a man from taking it?

Mr. MATUSKY. It specifies, I think, in my public service commission order that anyone who has ever been convicted, or something—I do not know just how it reads, that was the reason that was inserted in the court order that the telephone company would inspect all accounts, and we have to abide by their decision.

Mr. RICE. Do you ask them any questions, when they call up, about whether they have a criminal record?

Mr. MATUSKY. No, sir. I do not. I do not believe they would tell me.

Mr. RICE. It does not make any difference to you, does it?

Mr. MATUSKY. Actually they would tell me if I would ask them.

Mr. RICE. Back about a month ago we asked you for a list of your customers, didn't we?

Mr. MATUSKY. That is right.

Mr. RICE. And you gave us a list, and I see here that we have about 22 active accounts as of May 1950. These were ticker accounts or wire accounts.

Mr. MATUSKY. That is right.

Mr. RICE. You don't have tickers, you have a wire?

Mr. MATUSKY. That is right. We have a wire, a private line, the same as any telephone; other than having a receiver on the end, it is loud speaker on the end.

Mr. RICE. You had 22 back in May of 1950 and you had 10 call-in accounts.

Mr. MATUSKY. Well, if that is the paper I sent in, that is correct.

Mr. RICE. At the same time, in May 1950, we asked the telephone company to give us a list of the customers that you had, and they gave us a list of—36, rather, which is a considerable discrepancy between what you furnished and what the telephone company furnished.

Mr. MATUSKY. That is right. Those customers at that time were inactive. We have quite a few of them. I mean, the reports would show where at times a customer would say, "Disconnect me," for maybe a month or so. In lots of cases they would not be off a month.

I have had cases I kept a line operating in that location that I would disconnect our speaker, which would mean they would not be getting any service—disconnect the service in the locality but not cancel with the telephone company, due to the fact, in some cases, when you want that same account back, I have had occasions where a man would disconnect service this week and next week he calls back and wants the same service. That would take, through the regular routine of the telephone company, normally 2 weeks to get that back, and that particular line I would say—my private lines do not average over \$7 or \$8 a month as a whole, not counting the amplifiers, which I still have to have.

Mr. RICE. Let's get back to the thing that we are talking about. You gave a list of 22 and the telephone company had 36. They had 14 more. You say these 14 were inactive lines?

Mr. MATUSKY. Right, in active lines. They were operating as far as the telephone company was concerned, but they were not active as far as we were concerned, because they asked to be disconnected.

Mr. RICE. Was the impulse going out over the line?

Mr. MATUSKY. Yes, the impulse, they could pick it up if they knew and had another speaker, they could pick it up.

Mr. RICE. Who took the speaker off?

Mr. MATUSKY. Our man would take our speaker out when that man would disconnect his service. If they have someone who would know how to hook that back, they could be getting service, but in most of those cases I would have a man go out and I would go out personally to see that service was not being used.

Mr. RICE. In other words, check them with regard to putting another speaker on?

Mr. MATUSKY. That is right.

Mr. RICE. You were keeping the line active?

Mr. MATUSKY. That is right.

Mr. RICE. Who paid for it?

Mr. MATUSKY. The company paid for it.

Mr. RICE. How much would they charge you to keep an active line?

Mr. MATUSKY. As I said a while ago, some of the lines were as low as \$1.20 a month, but the average would be around \$8 a month. I think the average—but some lines are \$1.20, some are \$2.40, some \$3.60.

Mr. RICE. How much did you say you paid for each one?

Mr. MATUSKY. I would say approximately \$8.

Mr. RICE. \$8 a week?

Mr. MATUSKY. No, a month.

Mr. RICE. A month?

Mr. MATUSKY. Yes, sir.

Mr. RICE. You were paying \$8 a month for 14 lines to keep them active, but they were not using them?

Mr. MATUSKY. That is right.

Mr. RICE. Would it be possible they had been raided around that time and thought they had better pull off for a while?

Mr. MATUSKY. Not to my knowledge.

Mr. RICE. Did that happen?

Mr. MATUSKY. When they are raided, the telephone company disconnects, they notify me they are disconnecting that line.

Mr. MOSER. Why don't you have it disconnected at the telephone company instead of at the shop?

Mr. MATUSKY. When you do that, you lose time. In other words, if I had the telephone company disconnect that and he reordered that line, it would go through the same procedure; they would send a man to inspect the place, and that would take 2 or 3 weeks. The line costs me \$8 approximately, a lot of them are \$2.40 or \$3.60 a month and it is a lot cheaper.

Mr. MOSER. You disconnect the speaker at that end so you can turn it on and off easily.

Mr. MATUSKY. At the location.

Mr. MOSER. Why is that? So you can turn it off and on easily?

Mr. MATUSKY. They would have no speaker and no way to get the service.

Mr. MOSER. They could supply their own service.

Mr. MATUSKY. If they know how to build one. It would have to be an amplifier.

Mr. MOSER. Why do you continue this expense every month of continuing those open lines when they are not being used? Why not have them disconnected at the telephone company?

Mr. MATUSKY. It would take 2 weeks, that is a revenue of \$80, 2 weeks for the telephone company to connect, and installation charges of approximately \$5, and 2 weeks alone, I would be waiting to get this customer back on by the telephone company, I could keep him on for a year, and it would not cost me any more.

Mr. MOSER. You expect the customer to come back on again?

Mr. MATUSKY. In most cases.

Mr. MOSER. Why did you say they discontinued?

Mr. MATUSKY. I have no reason to know why. They call me and ask me to disconnect the service.

Mr. MOSER. And stop payment?

Mr. MATUSKY. Yes.

Mr. MOSER. Do they discontinue often?

Mr. MATUSKY. Quite often. I think at times we have had as many as 25 temporary disconnects.

Mr. MOSER. Twenty-five at once?

Mr. MATUSKY. Yes, sir.

Mr. MOSER. That is a pretty big percentage of your business?

Mr. MATUSKY. That is right.

Mr. MOSER. Why do they suddenly disconnect? Would it be a raid going on?

Mr. MATUSKY. They just tell me they do not want the service during the winter months, no baseball.

Mr. RICE. Perhaps I can straighten it out. The records show that World-Wide News & Music was serving, among others, back in 1949, places at 20 East Cross Street under the name of E. Jenkins Cafeteria. They have a speaker.

Mr. MATUSKY. That is right.

Mr. RICE. And also a place at 220 East Cross Street under the name of Walter Lowman. According to the police records of Baltimore, the place at 20 East Cross Street was raided on July 8, 1949, and 220 East Cross Street was raided December 24, 1949. Notwithstanding those raids, in the list of active accounts which Mr. Matusky furnished us after that, in May of 1950 and even up as late as January 1951, both Jenkins and Lowman at 20 East Cross and 220 East Cross were again receiving service.

So that I think it would be safe to say that it was because, and probably during that raid time that the speaker was out and the service still on, and that was the reason for leaving the wire in.

Mr. MATUSKY. That was not the reason. Those places were not convicted. The Jenkins place was not convicted, and to my knowledge, the place at 220 East Cross Street was never raided.

Mr. RICE. Now, then, we have testimony before the committee taken on July 2, 1951, by a man by the name of Edward Reitz in executive session. Here is what Reitz had to say:

He said that he operated a small horse book at 220 East Cross Street and that he had the telegraphic news service there for which he paid World-Wide News & Music \$40 a week.

He was raided after 1 month, after he began his operations, and he was fined a thousand dollars.

Mr. MATUSKY. That was not Lowman. That was this other person. If he worked for Lowman and anything like that happened—but Reitz, to my knowledge, I was never notified by the police department or the telephone company. They usually are notified when there is a raid. I am not notified, but the telephone company is notified, and the usual procedure is, in that Jenkins case, that line was disconnected until his case—I think the telephone company disconnected that line temporarily, when he—

Mr. RICE. Reitz did not tell you he had been raided and why he was stopping the \$10 a week?

Mr. MATUSKY. That is right. I knew nothing about Reitz. I knew about Lowman in there. I knew nothing about Reitz being raided. This is the first time I heard of the place being raided.

Mr. RICE. This is the first time you heard about it?

Mr. MATUSKY. The first time I have ever heard that 220 Cross Street was raided.

Mr. RICE. You knew there was a time that was dormant and then you started being paid again for it?

Mr. MATUSKY. What year was that?

I would have to look at my books and tell you whether that person was on the dates you are telling me. I don't know if he was receiving service at that time. He could have called in.

Mr. RICE. He could have called in. In any event, you do have situations like that where they go off for a time, and come back on?

Mr. MATUSKY. Not in raids because, like in this particular case, I think the telephone company records will show they called me up about the Jenkins Tavern, said they were temporarily disconnecting that line.

Mr. RICE. Who called you up?

Mr. MATUSKY. Assistant commercial manager of the telephone company, I do not recall who, disconnected that line. After the case the man was acquitted and the line was restored and his telephone was restored.

Mr. RICE. This man was not acquitted. He paid a fine. Here are about four others of your customers who were raided. L. Trotta, 3901 Mount Pleasant Avenue, June 11, 1949; the Oldham Pleasure Club, 513 South Oldham Street, raided October 28, 1949; the Young Men's Social Club, 2920 Hudson Street, raided—date not given; J. H. Hildebrand, at 249 West Chase Street, raided July 27, 1949.

Mr. MATUSKY. I was never advised of the raids and usually the police department advises the telephone company, and I was never advised and I had no knowledge they were raided.

Mr. RICE. Now, of your 36 customers that you had a year ago you say you have none left?

Mr. MATUSKY. I am operating five private lines now.

Mr. RICE. You do not have any that are getting the wire music?

Mr. MATUSKY. They are getting the wire music, but not getting any race results.

Mr. RICE. Not getting any race results?

Mr. MATUSKY. That is right.

Mr. RICE. The only ones getting the race results are calling in?

Mr. MATUSKY. That is right.

Mr. RICE. How do you account for the cessation of business?

Mr. MATUSKY. The only reason is the bad publicity.

Mr. RICE. What sort of publicity?

Mr. MATUSKY. The publicity with me being before the grand jury, and ever since this committee has been in, all we hear is horse racing and that is something I give less than anything. I give less than an hour's horse racing out of 14 hours' broadcasting. We do not give nothing but the race results. The radio gives that. The radio is beating us by 10 minutes right now; beating us on most of the results.

Mr. RICE. Does the radio give the prerace run-downs on scratches, odds, and so forth.

Mr. MATUSKY. Don't give that but they give the results at 10 minutes and sometimes 10 minutes before we give it out.

Mr. RICE. Do you blame the radio now for hurting your business?

Mr. MATUSKY. That has a lot to do with it. All of a sudden the radio has speeded up and breaking records, and even announced they will break a record to give race results.

Mr. RICE. They will stop a record?

Mr. MATUSKY. That is right. And they are beating us as much as 20 minutes. For instance, just last week I walked in the broadcasting room and heard them give a result 7 minutes after the race was over, I think a Chicago result. The man made his announcement that he knows he is not supposed to give it out for 10 minutes, but "as long as I am on here, it won't hurt to give this one out."

Mr. RICE. How much does your telephone run a month, the average month?

Mr. MATUSKY. Well, right now my telephone bill is down about \$350, but it was running around \$700 or \$800 a month.

Mr. RICE. It has been running seven or eight hundred a month?

Mr. MATUSKY. I would say approximately that. I think it was less than that.

The CHAIRMAN. Mr. Matusky, at the peak what would have been the largest amount you had been running?

Mr. MATUSKY. Of the telephone bill, I would say, Senator, \$800 the peak.

The CHAIRMAN. Thank you.

Mr. RICE. Do you still have the same equipment in your place as you had when you were paying that?

Mr. MATUSKY. That is right.

Mr. RICE. I think for the record, Mr. Chairman, it is indicated that the service the World-Wide News has is one individual message business line, 33 auxiliary lines, 3 extension stations, 5 lamp indicators, 16, 21—A lamp indicators, a head receiver, 9 pick-ups, 3 station holding keys, 3 line holds, 2 buttons, and 3 buzzers, and the telephone company advises us they could serve as many as 200 call-ins during an afternoon's time, or 200 customers. But you have never had that many?

Mr. MATUSKY. No; never had that many. As a matter of fact, that wasn't my business. That is Howard's business. In fact, if I had any amount of call-ins, I don't believe Howard would sell me the News. When you asked me awhile ago, I said, yes, I have disconnected in the past month 14 telephones. We have 20 telephones.

Mr. RICE. The list I read was a fair statement of what you did have?

Mr. MATUSKY. That is an exact statement.

Mr. RICE. You cut 14 off?

Mr. MATUSKY. Cut 14 off just in the past few weeks.

Mr. RICE. Now you are in the office most every day, aren't you?

Mr. MATUSKY. Most every day.

Mr. RICE. You handle the telephones sometimes?

Mr. MATUSKY. Yes.

Mr. RICE. I see where there are some telephone calls made to Ruby Relberg in the Bronx, N. Y. Who is she?

Mr. MATUSKY. A former man that worked for me, and he was calling his mother. She is very ill, a bad heart; he worked for me.

Mr. RICE. Calling his mother?

Mr. MATUSKY. That is probably his mother.

Mr. RICE. You make some calls to Francis at the Washington Wholesale Drug Exchange.

Mr. MATUSKY. I think he is manager of the Washington Wholesale Drug.

Mr. RICE. What transactions do you have with him?

Mr. MATUSKY. Nothing other than I talk to him in regard to brokerage business that I am going into, drug brokerage business, about getting five or six accounts and handling them as a broker.

Mr. RICE. You are thinking of going into the drug brokerage business?

Mr. MATUSKY. That is right, representing the manufacturer.

Mr. RICE. Do you know a fellow named Tom Kelly?

Mr. MATUSKY. Yes; I know him.

Mr. RICE. He is from Chicago?

Mr. MATUSKY. Yes.

Mr. RICE. Who is he?

Mr. MATUSKY. General manager of Continental News.

Mr. RICE. Continental Press, the big wire service?

Mr. MATUSKY. Yes.

Mr. RICE. How do you know him?

Mr. MATUSKY. He was from Baltimore, manager of the office where Bilson is manager.

Mr. RICE. Manager of Howard Sports now?

Mr. MATUSKY. Yes.

Mr. RICE. What business do you have with Tom Kelly of Chicago?

Mr. MATUSKY. Whenever he is around I usually see him.

Mr. RICE. You usually see him, a social call?

Mr. MATUSKY. Yes; he lets me know when he is in town, and I see him, have dinner with him, a couple of drinks.

Mr. RICE. I see several long-distance calls to Tom Kelly in Chicago charged to your phone. What would that be in connection with?

Mr. MATUSKY. I do not recall the conversations I had with him. What dates are they?

Mr. RICE. You tell us what transaction you had with him in Chicago that necessitated—

Mr. MATUSKY. I do not recall what conversation I had.

Mr. RICE. You called him on February 20, 1951; you called him January 22, 1951.

Mr. MATUSKY. I do not recall just what the conversation was.

Mr. RICE. You called him several other times.

Mr. MATUSKY. I think I have called him even more recently than that.

Mr. RICE. Is that in connection with the wire-service business?

Mr. MATUSKY. Not with him. I may have asked him what things look like and things like that, I mean.

Mr. RICE. Why do you dicker with him? Why do you negotiate with him? You are buying it from Howard Sports.

Mr. MATUSKY. Can I talk to my counsel a minute, please?

(The witness conferred with his counsel.)

Senator KEFAUVER. Mr. Siegel, I just wonder how long you think your conference will be? If it is going to be of any length we will have another witness.

Mr. SIEGEL. Will you give me a few minutes and call another witness for a matter of a few minutes?

Mr. RICE. It doesn't seem like a difficult question. We are just interested in the business with Continental.

Mr. SIEGEL. At this time Mr. Matusky cannot recall conversations he had in 1951.

Mr. RICE. Just tell us the business he had with Tom Kelly in general terms.

Mr. MATUSKY. I would like to talk to counsel. I contacted counsel last Friday; I had no idea to bring him. I didn't contact him until 7 o'clock and I would like to talk to him if I can.

Senator KEFAUVER. Suppose we defer that question a few minutes, and we will let you consult your counsel and have you come back. Let's ask about anything else except what business he had with Tom Kelly.

We will defer that in order to give you a chance to confer with your counsel.

Mr. RICE. Let me ask this. Does Mr. Niles have any connection with Continental?

Mr. MATUSKY. He did prior to coming to Baltimore. He was employed by Continental.

Mr. RICE. What did he do for Continental?

Mr. MATUSKY. As far as I know, he was a roadman.

Mr. RICE. What do you mean by that?

Mr. MATUSKY. Well, they would send him to Baltimore or whatever towns they had offices that were buying their news. That was his job. What he did I have never been with him on any occasion with Howard or any other office he had to go to.

Mr. RICE. You mean he was sort of inspector?

Mr. MATUSKY. Well, I do not know whether that is what you would call him, or whether he come in and looked to see what was happening, whether Continental thought they were not paid enough. I could not answer whether he was an inspector.

Mr. RICE. Whom would he check up on? Whom would he go to see?

Mr. MATUSKY. I know he would go to see Howard. He dropped around to our office.

Mr. RICE. He came around to see World-Wide?

Mr. MATUSKY. Yes.

Mr. RICE. When you were operating as World-Wide?

Mr. MATUSKY. That is right.

Mr. RICE. He was with Continental?

Mr. MATUSKY. Yes.

Mr. RICE. Let's see how that works. You were contracting directly with Howard.

Mr. MATUSKY. That is right, buying news directly from Howard.

Mr. RICE. You had no privity of contract—if you do not understand that, your lawyer will tell you—with Continental, but here is Continental checking up on you, and you are just a customer. How do you account for that?

Mr. MATUSKY. The only way I can account for it, he wasn't the only one. I had several others who came around.

Mr. RICE. Did Scanlon come around?

Mr. MATUSKY. No, I do not know him.

Mr. RICE. Burns? Who were some of the others who came around?

Mr. MATUSKY. A fellow named Jaffy and John Gordon. He is dead now.

Mr. RICE. Gordon came around?

Mr. MATUSKY. Yes.

Mr. RICE. What would be his conversation when he came around?

Mr. MATUSKY. His conversation was to get more money for the service, told me I was expanding and going into the news business in a big way, and he was after more money.

Senator KEFAUVER. That is Niles you are talking about?

Mr. MATUSKY. This is Mr. Jaffy.

Senator KEFAUVER. Mr. Niles did come around to check up on you for Continental?

Mr. MATUSKY. No, he would make a visit to Howard and see McInerney.

Senator KEFAUVER. I thought you said Niles owns stock, all the stock, of your company.

Mr. MATUSKY. Yes; I had nothing to do with that. Formerly McInerney owned the stock, and he disposed of it to Mr. Niles. What transaction, I do not know anything about it.

Senator KEFAUVER. Anything else, Mr. Rice?

Mr. RICE. Now, has your recollection been refreshed any about your business dealings with Tom Kelly?

Senator KEFAUVER. I am going to allow them to confer about that. We will not ask about that. Ask them about anything else and let them have a conference and we will call Mr. Matusky back to testify about it.

Any questions, Senator O'Connor?

The CHAIRMAN. No questions.

Senator KEFAUVER. Senator Hunt?

Senator HUNT. Yes; I would like to ask a few questions.

Would you tell the committee whom you contact when you approach the telephone people for installation of your service?

Mr. MATUSKY. Why it would be an extension of 208 I would call, Lexington 9900, extension 208, and recently, for the past 9 months it would be two to three different girls who would answer the phone. I think they have maybe 20 or 30 assistants. Any of those would be able to take my order.

Senator HUNT. Have you ever talked to an official of the company with reference to your business with the telephone company?

Mr. MATUSKY. Not since I went to the Public Service Commission; after we had the black-out I had to go to the Public Service Commission to get them to install more lines, even though I kept all these lines during the racing black-out. After the black-out I had more accounts wanting the service, and they refused to give me any further service until they had another order from the Public Service Commission.

I have always worked since operating World-Wide with Public Service Commission orders.

Senator HUNT. Aside from music that is carried over your lines and all sporting news you do, of course, carry race results.

Mr. MATUSKY. Race results.

Senator HUNT. Primarily that is the main function of your service; is it not?

Mr. MATUSKY. I would not say that it is.

I have about 20 or 30 companies sending us publicity we read over, and like I say, we do not devote less than an hour's time on racing, and during the winter I would say it is about 20 to 25 minutes in the

whole period of the time we work, because we do not give that run-down business and all that. All we do is, "They are running," give the results and the mutuels, the same as radio. We operate from 9 a. m. in the morning to 2 a. m., no racing on Sunday; we operate from 2 p. m. to 2 a. m. on Sunday.

Senator HUNT. Whether or not that is your principal function, you do disseminate racing news that is used for the purpose of off-track betting; is that right?

Mr. MATUSKY. Well, we disseminate racing news. Whether it is used for off-track betting, that is something I do not know.

Senator HUNT. It is used for off-track betting, and that is illegal in Maryland; is that right?

Mr. MATUSKY. Well, I would say it is; yes, sir.

Senator HUNT. The telephone company can't help but be cognizant of one use of your service, that for the purposes of disseminating racing news for the purpose of betting; is that right?

Mr. MATUSKY. Will you repeat that, please?

Senator HUNT. The telephone company cannot fail to know one function of your business in the use of their lines.

Mr. MATUSKY. I wouldn't think they—I think they know that the racing; in fact, they have to know that we are giving them over the service.

Senator HUNT. If they did not make their facilities available to you for that purpose or to any other party for that purpose, then, of course, the illegal betting off track would be considerably cut down?

Mr. MATUSKY. Not as long as the radio is operating the way it is now. The service is no good at all to anyone who wants to operate, the way we are getting service now.

Senator HUNT. You could not render your service without the facilities of the telephone?

Mr. MATUSKY. No, sir.

Senator HUNT. And the telephone cannot carry your service without knowing what they are carrying?

Mr. MATUSKY. That is right.

Senator HUNT. Therefore, am I right in my deduction that the telephone company is aiding and abetting you in your activities?

Mr. MATUSKY. No; I would not think so, because I do not think my customers use it—naturally, we had some raids, but the percentage over the period since 1939, I have been operating has been lots less than any radio station operating; I would say there have been 50 raids of customers to 1 of mine that operates with radios that do not get any service at all.

Senator HUNT. You operate over the Chesapeake & Potomac Telephone Co.?

Mr. MATUSKY. That is right.

Senator HUNT. They are a subsidiary of the American Telephone & Telegraph Co.?

Mr. MATUSKY. That is right.

Senator HUNT. That is all, Mr. Chairman.

Senator KEFAUVER. Mr. Rice?

Mr. RICE. Did you own some property on Thirty-first Street?

Mr. MATUSKY. That is right.

Mr. RICE. What sort of property was that?

Mr. MATUSKY. Two-story dwelling.

Mr. RICE. A two-story dwelling?

Mr. MATUSKY. Yes, sir.

Mr. RICE. What was the address?

Mr. MATUSKY. 2012.

Mr. RICE. 2012.

Mr. MATUSKY. Thirty-first Street East.

Mr. RICE. 2012 East Thirty-first Street. Did you live there?

Mr. MATUSKY. Yes.

Mr. RICE. That was your home?

Mr. MATUSKY. Yes.

Mr. RICE. What became of that?

Mr. MATUSKY. I sold that property.

Mr. RICE. You sold that property?

Mr. MATUSKY. That is right.

Mr. RICE. To whom did you sell it?

Mr. MATUSKY. A party named Kelly.

Mr. RICE. A party named Kelly?

Mr. MATUSKY. That is right.

Mr. RICE. What sort of party?

Mr. MATUSKY. That is their name, Kelly. I don't know where he works, as far as I know, but she works for the real-estate men that had this house. She was employed by the real-estate men.

Mr. RICE. Did you ever see Kelly, himself?

Mr. MATUSKY. The man that bought the house?

Mr. RICE. Yes.

Mr. MATUSKY. I saw him at the settlement of the house.

Mr. RICE. How was he dressed?

Mr. MATUSKY. I do not recall how he was dressed. I think he had a sport shirt on.

Mr. RICE. He didn't have a uniform on with a badge?

Mr. MATUSKY. No.

Mr. RICE. You are sure about that?

Mr. MATUSKY. Yes. In fact, Mr. Siegel was at that sale.

Mr. SIEGEL. I represented him at the settlement. He had just purchased a home, and he let this one go. There was not a policeman there, if that is what you mean by uniform.

Mr. RICE. Who was the man?

Mr. SIEGEL. Kelly.

Mr. MATUSKY. George Kelly.

Mr. RICE. Is he a policeman?

Mr. MATUSKY. Not to my knowledge.

Mr. RICE. You don't know that he isn't?

Mr. MATUSKY. I don't know.

Mr. RICE. Do you know what business you think he is in?

Mr. MATUSKY. I do not know. I never met the man until the settlement. It was sold through a real-estate agent, and I met him the date of settlement. That was the first time I met him and his wife, and I haven't seen either one of them since.

Mr. RICE. All right, sir. I think we will suspend with this witness for the moment while he confers with counsel.

Senator KEFAUVER. Before you leave, let me see if we can get this matter straightened out.

You have two kinds of service.

Mr. MATUSKY. That is right.

Senator KEFAUVER. One service for taverns in which you give them music and also sporting events.

Mr. MATUSKY. That is right.

Senator KEFAUVER. You have another service; that service is handled through the telephone wires; is that correct?

Mr. MATUSKY. That is right.

Senator KEFAUVER. You have another service where people can call in and get results of races.

Mr. MATUSKY. That is right. They call in the same as they do with a scratch sheet or any news service, call in and ask for a certain result, and we give it to them.

Senator KEFAUVER. How many customers of the second service did you used to have?

Mr. MATUSKY. I think the highest we ever had was about 11.

Senator KEFAUVER. Is that the one where you speak into a microphone and then it is disseminated by several wires through the telephone company?

Mr. MATUSKY. No, that is the private line service that taverns get music and baseball scores and everything else. The other customers call in on a regular telephone, go in the telephone booth, drop in, call our number say, "It is No. 45," and may want, or baseball scores, and we give it to him.

Senator KEFAUVER. You do not know these customers except by number?

Mr. MATUSKY. We do not have any names.

Senator KEFAUVER. You do send people out to take the loud speakers out?

Mr. MATUSKY. Not the people that call in, they do not have loud speakers.

Senator KEFAUVER. The taverns.

Mr. MATUSKY. Yes.

Senator KEFAUVER. You do not know who they are?

Mr. MATUSKY. We know who they are. They have to give us their name. Otherwise the 'phone company would not install. We have to have the person's names and addresses to install the line.

Senator KEFAUVER. What is your compensation? What has it been with this sports news?

Mr. MATUSKY. When I made the deal with McInerney my compensation was \$400 a week.

Senator KEFAUVER. \$400 a week?

Mr. MATUSKY. Yes.

Senator KEFAUVER. You got your \$400, and that was a permanent amount, and then——

Mr. MATUSKY. For a 20-year period I was to get that.

Senator KEFAUVER. And then the amount paid Howard Sports would go up or down depending on how the business was?

Mr. MATUSKY. That is right.

Senator KEFAUVER. Mr. Odle or Mr. Niles would fix that amount, would they not?

Mr. MATUSKY. Well, Mr. Odle would not fix it, because he was around to the different race tracks most of the time.

Senator KEFAUVER. Anyway, you got a stated amount?

Mr. MATUSKY. With the agreement I made.

Senator KEFAUVER. And any surplus would be paid to Howard Sports?

Mr. MATUSKY. No, not the surplus. It would be, like I say—

Senator KEFAUVER. Did you ever pay a dividend on your stock?

Mr. MATUSKY. No, sir.

Senator KEFAUVER. What would happen to the surplus?

Mr. MATUSKY. Well, some of the money was McInerney taking out as loans.

Senator KEFAUVER. You just got your \$400 a week.

Mr. MATUSKY. I got my \$400 and Roscoe Odle got his \$200.

Senator KEFAUVER. The rest went to someone else?

Mr. MATUSKY. That is right.

Senator KEFAUVER. Either Howard Sports or McInerney?

Mr. MATUSKY. That is right. It would be the employees, of course.

The CHAIRMAN. Mr. Matusky, just following that one step further from this line pursued by Senator Kefauver, is it not true that the subscribers to the one type of service where you give the music and service of that nature, that there is interspersed with that the race results, too?

Mr. MATUSKY. That is right.

The CHAIRMAN. So that the subscribers who get the music regularly at given times during the program, the music is interrupted and the race results are given?

Mr. MATUSKY. That is right.

The CHAIRMAN. Now with respect to the type of subscriber, the call-in type, is it not true that they upon calling in can also be plugged in and get the other results over the loud speaker, the open line?

Mr. MATUSKY. No, we do not have that arrangement. In other words, they do not hang on. They just call in, get the result and hang right up.

The CHAIRMAN. Your practice doesn't include—

Mr. MATUSKY. I do not have a switchboard.

The CHAIRMAN. Doesn't include call-in service where the line remains open and they get the results generally from the loud speaker?

Mr. MATUSKY. No, the only time, for instance, if a person would come in and we will say they are running that particular race he may be interested, we would put the phone alongside a loud speaker and he would hear it.

The CHAIRMAN. He stays on the line and if the race is running, he can hear?

Mr. MATUSKY. He can hear, that is right.

The CHAIRMAN. How long would you say he would stay?

Mr. MATUSKY. Just for that particular race that he would be interested in.

The CHAIRMAN. All right. In other words, there is no arrangement in your particular set-up wherein they stay on indefinitely?

Mr. MATUSKY. No, I have no arrangement. I do not have the switchboard. I have, as he read, just telephones.

Senator KEFAUVER. You and Mr. Matusky confer about what your business is with Mr. Kelly and then when you have conferred and finished, let me know.

Mr. SIEGEL. Yes, sir.

Senator KEFAUVER. Mr. Rice, who is our next witness?

Is Mr. Louis Oppleman here? Mr. Oppleman?

Is Harry Silverman here?

Is Ike Saperstein here?

Are those on the list, Mr. Rice?

Mr. RICE. Efforts have been made to locate Appleman without success. We have taken steps to notify everyone who could get in touch with him.

I understand Mr. Silverman is under subpena and expected to be here.

George Goldberg is under subpena and is expected to be here.

Ike Saperstein is under subpena and expected to be here.

Mr. HARRINGTON. I have presented to Senator O'Connor a letter this morning.

Senator KEFAUVER. What is your name?

Mr. HARRINGTON. It is Barton Harrington, of Baltimore. I am an attorney.

Senator KEFAUVER. You are an attorney in Baltimore?

Mr. HARRINGTON. Yes, sir.

Senator KEFAUVER. All right, Mr. Harrington, what is your statement?

Mr. HARRINGTON. Saperstein has been examined by a doctor and is ill. I left the letter from the doctor at Senator O'Connor's office this morning and was told that the Senator would see that the letter was either brought up here or sent up here when the committee met.

Senator KEFAUVER. Do we have the letter from Mr. Saperstein's doctor? Will some member of the staff get the letter from Senator O'Connor's office?

What is the matter with Mr. Saperstein?

Mr. HARRINGTON. He was examined by a psychiatrist. The letter states he is emotionally disturbed at the present time.

Senator KEFAUVER. I know this is not in your jurisdiction, because you are a lawyer, not a psychiatrist.

Mr. HARRINGTON. I did not come over here for the express purpose of carrying that message. I came here in connection with the appearance of another witness and left the letter.

Senator KEFAUVER. We will get the letter. Do you think he will be able to testify in a few days?

Mr. HARRINGTON. The letter states, I believe, that he would be ready in a week or 10 days.

Senator KEFAUVER. Who is the gentleman who came up with you, Mr. Harrington?

Mr. HARRINGTON. He is the cocounsel.

Mr. O'SULLIVAN. I am cocounsel with Mr. Harrington. Bernard C. O'Sullivan.

Senator KEFAUVER. You are an attorney, too?

Mr. O'SULLIVAN. That is right, sir.

Senator KEFAUVER. Harry Bilson.

Is Mr. Bilson here?

Mr. BILSON. Yes, sir.

Senator KEFAUVER. Come around, Mr. Bilson.

Mr. Bilson, do you swear the testimony you give the committee will be the whole truth, so help you God?

Mr. BILSON. I do.

**TESTIMONY OF HARRY BILSON, BALTIMORE, MD., ACCOMPANIED
BY JOSEPH G. FINNERTY, ATTORNEY, BALTIMORE, MD.**

Senator KEFAUVER. Sit down, Mr. Bilson.

What is your name, sir?

Mr. FINNERTY. I am Joseph G. Finnerty, attorney, from Baltimore.

Senator KEFAUVER. You were with us somewhere in Chicago?

Mr. FINNERTY. That is right, when the Howard Sports representative testified just before Christmas, last year.

Senator KEFAUVER. Who was it who testified?

Mr. FINNERTY. Bilson Ing.

Senator KEFAUVER. This is Mr. Bilson?

Mr. FINNERTY. This is Mr. Harry Bilson. There is a similarity of names. They are related.

Senator KEFAUVER. What is the relationship, Mr. Bilson?

Mr. BILSON. He is my nephew.

Senator KEFAUVER. Mr. Ing is your nephew, Mr. Bilson?

Mr. BILSON. That is right.

Senator KEFAUVER. All right, Mr. Rice, let's get to the main point.

Mr. RICE. You are president of Howard Sports?

Mr. BILSON. I am the manager and secretary-treasurer.

Mr. RICE. What is the office address of Howard Sports?

Mr. BILSON. 631 Munsey Building.

Mr. RICE. That is a corporation?

Mr. BILSON. That is right.

Mr. RICE. And you are the secretary-treasurer?

Mr. BILSON. Yes.

Mr. RICE. Who is the president, Mr. Bilson?

Mr. BILSON. J. J. McInerney.

Mr. RICE. What is his address? Where is he from?

Mr. BILSON. He has been in Baltimore as long as I can remember.

Mr. RICE. Does he live in Baltimore now?

Mr. BILSON. Yes.

Mr. RICE. The other officer is Bilson Ing, who is your nephew?

Mr. BILSON. That is right.

Mr. RICE. He also lives in Baltimore?

Mr. BILSON. Yes.

Mr. RICE. Before we get started, I think we might talk to both Mr. Bilson and Mr. Finnerty in connection with Richard Mangan and Irving Sherry. Are they here, Mr. Finnerty?

Mr. FINNERTY. We have no information about their whereabouts. As I told you on the phone yesterday, I am sure Mr. Bilson made every effort to get the message to those men, not only to be here at 10 o'clock in the morning, but also to contact you at your office by telephone yesterday. I understand that you were unable, Mr. Bilson, to make contact with these gentlemen, so that their whereabouts, as far as we are concerned, is completely unknown.

We have made every effort, however, to get the message over to them.

Mr. RICE. For the record, Mr. Chairman—and correct me if I am wrong—Mangan and Sherry are both employees of Howard Sports and have been for a number of years.

Mr. FINNERTY. That is right.

Mr. RICE. We commenced negotiations at least last Friday with you to have them appear today as witnesses, with Mr. Bilson, Mr. Bilson Ing, and subsequently with Mr. Finnerty. So far our efforts have met with no success insofar as obtaining the appearance of Mangan or Sherry before the committee is concerned.

I would like to ask the Chair to make a strong suggestion to Mr. Bilson to renew his efforts to bring his employees into a situation where we can talk to them.

Senator KEFAUVER. Mr. Bilson, it would look like you ought to be able to get in touch with your employees. See if you cannot get them in in the morning.

Mr. BILSON. I will do my best.

Senator KEFAUVER. Will you make a further effort?

Mr. BILSON. I will.

Senator KEFAUVER. Will you help in this matter, Mr. Finnerty?

Mr. FINNERTY. I am certain that Mr. Rice will agree with me that every effort has been made, as far as I personally am concerned, to get these gentlemen in, and Mr. Bilson has made every effort to contact these people. I think you will agree.

Mr. RICE. I don't know about that.

Senator KEFAUVER. They are his employees, and he should be in contact with his employees. So make an additional effort to have them here in the morning.

Mr. FINNERTY. Yes, sir.

Mr. BILSON. Yes, sir.

Senator KEFAUVER. Very well, let's get along with Mr. Bilson.

Mr. RICE. How long have you been connected with Howard Sports, Mr. Bilson.

Mr. BILSON. Ever since we formed it.

Mr. RICE. What year was that?

Mr. BILSON. I cannot tell you, if you pin me down to years. I would say about 1938-39, to the best of my knowledge.

Mr. RICE. What was the name of the company then?

Mr. BILSON. We formed the company, Howard Sports.

Mr. RICE. Howard Sports Corp. or Howard Sports Daily?

Mr. BILSON. Howard Sports Daily.

Mr. RICE. Is that the only name of the corporation?

Mr. BILSON. That is all.

Mr. RICE. Were you also connected with an outfit called Radio Program Press?

Mr. BILSON. I was never connected with Radio Program Press. That was my wire.

Mr. RICE. How do you mean, "your wire"?

Mr. BILSON. That was the wire I used to supply the subscribers.

Mr. RICE. I do not understand the difference.

Mr. BILSON. Well, it was one of our outlets.

Mr. RICE. What was Radio Program Press?

Mr. BILSON. Simply a Morse wire.

Mr. RICE. Was it a company?

Mr. BILSON. No. It was just the name we used for the raw wire.

Mr. RICE. Didn't Radio Program Press have offices?

Mr. BILSON. Only us.

Mr. RICE. So it was a corporation; wasn't it?

Mr. BILSON. No, sir; it wasn't.

Mr. RICE. What was it? A company or a trade name?

Mr. BILSON. Trade name.

Mr. RICE. Who were the people connected with the trade name?

Mr. BILSON. The same people as Howard Sports.

Mr. RICE. Why was it necessary to have a trade name for a wire?

Mr. BILSON. I didn't want to confuse it with the Howard Sports; that was all.

Mr. RICE. What was the difference between Radio Program Press and Howard Sports? They were the same people.

Mr. BILSON. The only difference was that the wire—do we have to go all through that?

Mr. FINNERTY. I am sure Mr. Rice is familiar with this gentleman's physical condition.

Mr. RICE. We will give him every consideration.

I wonder if you will explain what the difference is between Radio Program Press and Howard Sports. It is not clear at all.

Mr. BILSON. Only the fact that we made application for the wire under that name, that was all.

Mr. RICE. What wire was that?

Mr. BILSON. It was a Morse wire.

Mr. RICE. Where did it go?

Mr. BILSON. It went to Florida at that time.

Mr. RICE. It went down to Florida?

Mr. BILSON. That is right.

Mr. RICE. That was Morse wire? Was it primarily to get information from the track?

Mr. BILSON. That was what it was used for.

Mr. RICE. To get information in?

Mr. BILSON. That is right.

Mr. RICE. That was the incoming wire. Then, when you sold the service, it went out of Howard Sports?

Mr. BILSON. That is right.

Mr. RICE. Radio Program Press is no longer in business?

Mr. BILSON. No, sir.

Mr. RICE. I think one of the reasons was that it was outlawed down in Florida?

Mr. BILSON. That is right. When the law went into effect, that ended the wire.

Mr. RICE. Why do you think there was a need for a separate outfit to get the information in?

Mr. FINNERTY. Repeat the question, please.

Mr. RICE. Radio Program Press was a separate entity set up to obtain the information from the tracks, which was later sold; is that right?

Mr. BILSON. That is right.

Mr. RICE. Why did you need a separate outfit? Why didn't you run it under the name of Howard Sports?

Mr. BILSON. Because our wire didn't go that far and we just put in new wire.

Mr. RICE. Your wire didn't go that far?

Mr. BILSON. Our regular wire.

Mr. RICE. You could have arranged for it.

Mr. BILSON. There could have been changes made to answer the purpose.

Mr. RICE. Would you say it was a subterfuge to confuse people?

Mr. BILSON. No; I would not. There was no subterfuge there at all whatsoever.

Mr. RICE. Frankly, I do not see why it wouldn't have been simple for Howard Sports to own the wire and also the same company, why it was necessary to have the separate organization.

Mr. BILSON. Well, we did it on account of Western Union primarily.

Mr. RICE. I beg your pardon?

Mr. BILSON. We did it for Western Union primarily.

Mr. RICE. You did it for them?

Mr. BILSON. Yes; not to confuse it with the bill.

Mr. RICE. So you could get a separate billing on it?

Mr. BILSON. Yes.

Mr. RICE. At that time, did Radio Program Press sell information to Howard Sports?

Mr. BILSON. That was our own wire.

Mr. RICE. You just turned it over?

Mr. BILSON. That is right.

Mr. RICE. So, in effect, it was Howard Sports getting the information.

Mr. BILSON. That is right.

Mr. RICE. The information having been obtained from the track by employees of Radio Program Press, your track crew, which got the information?

Mr. BILSON. That is right.

Mr. RICE. That information was then sold to Continental?

Mr. BILSON. That is right.

Mr. RICE. That continued even after Radio Program Press went out of business. You have always sold information to Continental?

Mr. BILSON. I have; yes, sir.

Mr. RICE. How much is the daily rate that Continental pays Howard Sports?

Mr. BILSON. At the present time?

Mr. RICE. No; in the past.

Mr. BILSON. They were paying \$400 a day. They now pay \$300 a day.

Mr. RICE. They were paying \$400 a day and now they are paying \$300 a day?

Mr. BILSON. That is right.

Mr. RICE. When did that figure change?

Mr. BILSON. I do not know the date.

Mr. RICE. Approximately.

Mr. BILSON. It is 6 or 7 months ago.

Mr. RICE. It dropped to \$300 a day? Why was that?

Mr. BILSON. Well, they contacted us and said they could not afford to pay the \$400 any longer.

Mr. RICE. So you said, "All right, we will sell it to you for \$300"?

Mr. BILSON. We talked it over and we settled on 300.

Mr. RICE. Whom did you negotiate with?

Mr. BILSON. Walter Lloyd and a man by the name of Harkins.

Mr. RICE. Did you talk to Kelly?

Mr. BILSON. Yes; lots of times.

Mr. RICE. Did you talk to Kelly about that?

Mr. BILSON. I discussed it with him.

Mr. RICE. You have no contract with Continental?

Mr. BILSON. No, sir.

Mr. RICE. You have strictly a verbal arrangement with Continental about how much is going to be paid?

Mr. BILSON. That is right.

Mr. RICE. They are paying you \$300 a day now?

Mr. BILSON. That is right.

Mr. RICE. You are producing the news which you obtain from the track. What territory does Howard Sports cover?

Mr. BILSON. You have a copy of the report there that shows it better than I can tell you.

Mr. RICE. Yes, sir. What territory does Howard Sports cover? You know what States.

Mr. BILSON. Virginia, Maryland, Georgia.

Senator KEFAUVER. Delaware?

Mr. BILSON. No, sir.

Mr. RICE. How about Florida?

Mr. BILSON. We have nothing in Florida.

Mr. RICE. How about New Jersey?

Mr. BILSON. Nothing in New Jersey.

Mr. RICE. Who obtains the information from the New Jersey tracks? I think they are running there now.

Mr. BILSON. Yes; they are. They just opened in Atlantic City today.

Mr. RICE. Who obtains that information?

Mr. BILSON. Our track crew.

Mr. RICE. So you operate in New Jersey?

Mr. FINNERTY. Maybe the witness doesn't understand you.

Mr. RICE. He is talking about the selling end. In the selling end, what States do you sell in?

Senator KEFAUVER. Let's get what States he collects in. Mr. Bilson, what States do you collect information from for Continental Press?

Mr. BILSON. What States do I collect?

Mr. FINNERTY. Gather information.

Senator KEFAUVER. In what States do you gather information?

Mr. BILSON. New Jersey, Maryland.

Senator KEFAUVER. You used to in Florida?

Mr. BILSON. Yes, sir.

Mr. RICE. During the past winter you gathered information in Florida?

Mr. BILSON. That is right. I wish we could get it again.

Mr. RICE. They are not running in Florida now?

Mr. BILSON. They will be.

Mr. RICE. What do you propose to do in Florida this winter?

Mr. BILSON. Depend on the radio.

Mr. RICE. You are not going to have a track crew in Florida?

Mr. BILSON. From all appearances, it is useless.

Mr. RICE. Why?

Mr. BILSON. I don't know why. I think you know the answer to that as good as I do.

Mr. RICE. What is the answer?

Senator KEFAUVER. They have a law down there now.

Mr. FINNERTY. I think that is pretty obvious, Mr. Rice.

Mr. RICE. You gather from the tracks of New Jersey, Maryland, and Florida. You sell in what States?

Mr. BILSON. I sell in Georgia, Virginia, and Maryland.

Mr. RICE. Suppose a customer calls up from Pennsylvania and wants this service.

Mr. BILSON. I do not go into Pennsylvania.

Mr. RICE. You do not go into Pennsylvania?

Mr. BILSON. No, sir.

Mr. RICE. Why is that?

Mr. BILSON. I didn't for 40 years. I never had any customers in Pennsylvania and there was a man who used to have Pennsylvania, a man by the name of Goodman in Philadelphia. That was considered his territory, as much as mine is, as I just explained.

Mr. RICE. He has his territory and you have yours?

Mr. BILSON. He had. I do not think he is in business any more.

Mr. RICE. What would you tell a customer who called up from Pennsylvania, called up from Philadelphia and said he would like to get the news? What would you tell him?

Mr. BILSON. We do not have facilities.

Mr. RICE. That wasn't true.

Mr. BILSON. It would be true in one sense.

Mr. RICE. In one sense?

Mr. BILSON. We do not have any facilities.

Mr. RICE. You do not have facilities anywhere, but you arrange for it as soon as you get a customer.

Mr. BILSON. I never made any application for Pennsylvania.

Mr. RICE. But you could.

Mr. BILSON. I guess anybody could.

Mr. RICE. What I am trying to get at is: How do you break down these territories?

Senator KEFAUVER. What is this application business? You never made an application for Pennsylvania?

Mr. BILSON. No, sir.

Senator KEFAUVER. You mean to the telephone company?

Mr. BILSON. No. Western Union.

Senator KEFAUVER. To whom did you make an application?

Mr. BILSON. Western Union.

Senator KEFAUVER. If you are going to get the ticker service.

Mr. BILSON. That is right.

Senator KEFAUVER. If you are going to give them telephone service, you make telephone application?

Mr. BILSON. Oh, sure. If we were going to give them service there, but we do not have any lines to the telephone company.

Senator KEFAUVER. All right, Mr. Rice.

Mr. RICE. Who arranges for the territorial breakdown? You do not go into Pennsylvania. You wouldn't go into Illinois. In theory, you could ask Western Union to set up a ticker in Illinois and service it.

Mr. BILSON. Yes.

Mr. RICE. Who arranges those territorial allocations?

Mr. BILSON. Nobody. It is just a custom that I had for a period of 40 years. I didn't see why I should start it.

Mr. RICE. It is a custom. Is it by agreement?

Mr. BILSON. Agreement by myself. Nobody else had anything to do with it.

Mr. RICE. In the last 5 years have any operators, Metro or Malbro or Midwest News or Daily Sports News ever handled any customers in Maryland?

Mr. BILSON. No, they have not, not to my knowledge.

Mr. RICE. But suppose you found out about their servicing one in Maryland, what would you do?

Mr. BILSON. I do not think I could do anything about it.

Senator KEFAUVER. What would you try to do?

Mr. BILSON. I would try to stop them if I could. I would tell them it was my territory, it was my customer. I do not see anything else I could do.

Senator KEFAUVER. Whom would you complain to?

Mr. BILSON. There would be nobody to complain to.

Mr. RICE. Do you think Mr. Kelly might help you with that?

Mr. BILSON. I do not see how he could. He doesn't enter into it at all.

Mr. RICE. Kelly was connected with Howard Sports at one time.

Mr. BILSON. When he had the Southern News. That was the only time.

Mr. RICE. You do not think he could help you out?

Mr. BILSON. I wish he could. I wish I had somebody to help me out.

Senator KEFAUVER. Who furnishes Washington, D. C., Mr. Bilson?

Mr. BILSON. I think the radio station WGAY in Silver Spring. They give it out faster than we give it out.

Senator KEFAUVER. Did you ever furnish Washington, D. C.?

Mr. BILSON. Not Washington, D. C., but years ago the surrounding Maryland.

Senator KEFAUVER. You still do not service surrounding Maryland?

Mr. BILSON. No, sir; not around Washington.

Senator KEFAUVER. How did you happen to quit doing it?

Mr. BILSON. There was an understanding that we weren't supposed to go into Washington. We made an agreement with somebody, some Government official, and we promised him we would never go into Washington.

Senator KEFAUVER. Was that a police official?

Mr. BILSON. It is hazy to me, but I do know that something like that happened.

Senator KEFAUVER. You made an agreement with some Government official that you were not going to come into Washington?

Mr. BILSON. I say it was a Government official. I imagine it was.

Senator KEFAUVER. The District of Columbia Government or the regular Federal Government?

Mr. BILSON. I could not determine that. I have had so many in my office, I couldn't tell one from the other. I had 13 in there.

Senator KEFAUVER. Thirteen what?

Mr. BILSON. In my office in Baltimore, coming in at different times.

Mr. FINNERTY. I think the witness means in recent weeks.

Senator KEFAUVER. Did the official have a uniform on or plain civilian clothes?

Mr. BILSON. Plain civilian clothes.

Senator KEFAUVER. Why didn't he want you to come into Washington?

Mr. BILSON. I couldn't answer you on that. I couldn't answer you truthfully about that.

Senator KEFAUVER. Did he say he would make it tough for you if you came in?

Mr. BILSON. No threats.

Senator KEFAUVER. Just didn't want you to come in?

Mr. BILSON. That is right.

Mr. RICE. Going back to last summer, and obtaining the information from the tracks—let's take Garden State in New Jersey as an example—you had a track crew operating. Do you recall who was the boss of that track crew?

Mr. FINNERTY. You referred to last summer?

Mr. RICE. Roscoe Odel?

Mr. BILSON. Yes.

Mr. RICE. What was his job as boss of that track crew?

Mr. BILSON. Obtain the news and send it to us.

Mr. RICE. Did you furnish him with binoculars and telescope?

Mr. BILSON. He furnished them himself. I do not have any more binoculars since I stopped getting the news myself.

Mr. RICE. How many employees did you have on the payroll helping the track crew under him?

Mr. BILSON. The same as appears on the reports that you have.

Mr. RICE. Do you know?

Mr. FINNERTY. You have the records, Mr. Rice. That is certainly the best evidence.

Mr. RICE. You had Mangan, Sherry?

Mr. BILSON. Yes, sir.

Mr. RICE. They were working under Odel? Do you know where Odel is now?

Mr. BILSON. I made every effort to try to locate him. I do not know.

Mr. RICE. What became of him?

Mr. BILSON. I couldn't tell you.

Mr. RICE. When did you last see him?

Mr. BILSON. Maybe 8 or 9 months ago.

Mr. RICE. How was his employment terminated?

Mr. BILSON. He just passed out of the picture.

Mr. RICE. He just disappeared?

Mr. BILSON. That is right.

Mr. RICE. And you had to cut him off the payroll?

Mr. BILSON. Naturally.

Mr. RICE. In looking over your records, we found that while Odel was head of the track crew up there, he was charging expenses to the company which you were paying and the invoices showed the following figures for four straight weeks:

Rent No. 1, Garden State, \$200; rent No. 2, Garden State, \$200; rent No. 3, Garden State, \$200; emergency, \$236.

That adds up to \$836 a week which Odel was drawing for expenses for 4 weeks up there. What was that money spent for?

Mr. BILSON. I do not know that. I do not know.

Mr. RICE. You paid it out, didn't you?

Mr. BILSON. I paid it out.

Mr. RICE. You do not know what it was spent for?

Mr. BILSON. I don't.

Mr. RICE. Do you know what rent No. 1 means?

Mr. BILSON. I do not.

Mr. RICE. How do you account for passing these expenditures which you charge off as legitimate business expenses in your income tax to the Government and you do not know what it was spent for?

Mr. BILSON. As long as it remained a reasonable figure, we honored it and paid for it.

Mr. RICE. Nearly \$1,000 for one man, plus your other expenses, aggregate a substantial figure for a year. It would be up to \$50,000 a year which you charged the Government for expenses. Didn't you get any better idea of what it was spent for?

Can't you get any closer to that?

Mr. BILSON. That was the cheap figure for the news.

Mr. RICE. But, was it a cheap figure for the Government?

Mr. BILSON. For the Government?

Mr. RICE. Yes.

Mr. BILSON. In what way do you mean?

Mr. RICE. Suppose the Government asks you how they know these are legitimate expenses, who gets the money, what will you say?

Mr. BILSON. He got the money.

Mr. RICE. Who got it?

Mr. BILSON. The man you are talking about.

Mr. RICE. Odel?

Mr. BILSON. That is right.

Mr. RICE. He disappeared.

Mr. BILSON. That is right.

Mr. RICE. Did you pay it by check?

Mr. BILSON. By check.

Mr. RICE. You got his endorsement on the check and you consider that sufficient documentation for the Government to charge that as an expense, \$50,000 a year?

Mr. FINNERTY. We object, sir. I think the field of inquiry is getting a little beyond the scope of this committee's investigation.

Mr. RICE. We will be glad to have you straighten us out, Mr. Finnerty.

Mr. FINNERTY. I think the witness' answer, as I understand, is whatever this figure is, \$1,000 or whatever it is, in his opinion, was a reasonable expense for the acquisition of the news this man gathered.

Mr. RICE. This doesn't say anything about the news. It says, "emergency \$236," and speaks about rent Nos. 1, 2, and 3. This is very nebulous.

Mr. FINNERTY. You added the three figures to get \$1,000 a week.

Mr. RICE. \$836 for that, plus Mangan's and Egner's expenses for nearly \$100 a week each. Recently they have been running \$42 a week. Sherry's was \$56. That was all in addition to their salaries. This is expensive, running around \$1,000 a week.

Mr. FINNERTY. I understood the witness' answer to your question to be, and if I am wrong he will correct me, that he regarded the news which he received from these persons to whom he was required to pay \$1,000 as worth it. He regarded it as a reasonable figure for expenses.

Senator KEFAUVER. That is his testimony. The question is, since he regards it as reasonable, he should know something about the expenses they had. How does he feel that is reasonable? Do you feel that the expenses you have to pay covers lookout posts and other things they had to do, which makes it a reasonable figure?

Mr. BILSON. Senator, I can answer that this way: I do not know anything about the working of the track crew. I do not contract them. I know nothing about them. If they can furnish me with the news and it a reasonable figure, as I said, I honor it and pay it. I paid them by check.

Senator KEFAUVER. The question is, Mr. Bilson, with an amount of money that large, you must have negotiated back and forth to arrive at what was a reasonable figure. Would you go into them and question what they had to pay for—binoculars, and so forth?

Mr. BILSON. Never.

Senator KEFAUVER. What they have to pay for, where they are going to look from, and things of that sort?

Mr. BILSON. Never.

Senator KEFAUVER. You let them fix the figure and you thought it was reasonable and paid it?

Mr. BILSON. He negotiated with me to get the news in. It is up to him to find the location. I have been to Garden State only once in my life.

Mr. RICE. Suppose he was getting the location for \$50 and charging you \$600, it wouldn't make any difference?

Mr. BILSON. On the face of it, no; because I wouldn't know anything about it. If he was padding expenses, I would know anything about it.

Mr. RICE. As a matter of fact, you do not know anything about it?

Mr. BILSON. I do not.

Mr. RICE. Except that in your tax return you do charge that as a legitimate business expense.

Mr. BILSON. I paid it out.

Mr. RICE. You are charging something about which you know nothing.

Mr. BILSON. I paid it out to an individual.

Mr. RICE. You know you paid the money out, but you do not know what it was for.

Mr. BILSON. I was billed for it.

Mr. RICE. By your own employee.

Mr. BILSON. I didn't classify him as my employee.

Mr. RICE. Do you drive a car?

Mr. BILSON. Not now.

Mr. RICE. You do not drive a car now?

Mr. BILSON. No.

Mr. RICE. When was the last time you drove a car?

Mr. BILSON. Oh, I drive maybe down to the barber shop.

Mr. RICE. When was the last time you did that?

Mr. BILSON. The last time I got my hair cut, a couple of weeks ago.

Mr. RICE. Is that all you use the car for, to get a haircut?

Mr. BILSON. My wife uses the car. She is a good driver for a woman.

Mr. RICE. In recent weeks, from June of 1951, I see expenses for H. Bilson, car, \$25 a week. What is that for?

Mr. BILSON. That was the upkeep of my car.

Mr. RICE. And it comes out of the company?

Mr. BILSON. How about when I come to work every day, when it costs me \$2 each day to come to work in a cab; that is \$4 a day.

I cannot walk and cannot drive.

Mr. RICE. But you charged \$25 a week for the car to the business expenses.

Mr. BILSON. I will show you the reason why I do not drive the car.

Mr. FINNERTY. Perhaps you would like to have it in the record.

Mr. RICE. I understand he doesn't drive a car. I think we will stipulate that.

(Mr. Finnerty handed a letter to Senator Kefauver.)

Senator KEFAUVER. Mr. Bilson, you mean that you charge up cab fare as the use of your car?

Mr. BILSON. Senator, as I said, I use the cab every morning. I have a standing order with the Sun Cab Co. I ride back and forth. It cost me \$2 each way.

Senator KEFAUVER. The question is that you here apparently have a \$25 a week, which you charge for the use of your car. Do you mean that that is what you paid for the cab?

Mr. BILSON. It runs that up to \$24 a week, \$4 a day.

Mr. RICE. How about Bilson Ing? I see where he charges \$20 a week. What is he riding?

Mr. BILSON. He uses his car.

Mr. RICE. Uses his car to come to work?

Mr. BILSON. Yes.

Mr. RICE. You fellows consider it a legitimate business expense, your transportation to and from work?

Mr. BILSON. How would you expect me to get into town? I guess you know where I live. I live in the suburbs.

Mr. RICE. I am asking for your conclusion.

Mr. BILSON. I am trying to make it clear to you. I couldn't get to work and I couldn't possibly walk up to the bus.

Mr. RICE. You feel that is a business expense because you charge it?

Mr. BILSON. I think so; yes.

Senator KEFAUVER. Let's get on to something else.

Mr. RICE. All right, sir.

You were talking about the track crew up at Garden State that Odel ran and there came a time when he disappeared. About that time it was necessary to get the news from Florida. They have started running in Florida. How did you arrange to get the news from Florida this past winter?

Mr. BILSON. I didn't arrange. I received a telephone call. The party said, "I understand your news is bad. Would you be interested if I could get you news?"

I said I was always interested in news. That was the deal.

Mr. RICE. Where did the telephone call come from?

Mr. BILSON. I imagine it came from Florida.

Mr. RICE. Let's not imagine. Let's get down to facts here. You received a telephone call from Florida and it was a man's voice?

Mr. BILSON. Naturally.

Mr. RICE. Who was it?

Mr. BILSON. It was supposed to be Gorman.

Mr. RICE. What did he say?

Mr. BILSON. He could get the news.

Mr. RICE. He said, "I am Gorman and I can get the news."

Mr. BILSON. I asked him what his name was. He said, "Al Gorman."

Mr. RICE. Did you know him?

Mr. BILSON. Never saw him.

Mr. RICE. Complete stranger to you?

Mr. BILSON. He was.

Mr. RICE. Whom did he say he was going to get it from?

Mr. BILSON. It is not customary for them to tell you how they get it.

Mr. RICE. It was a mystery how he was going to get it?

Mr. BILSON. As far as I was concerned, as long as he produced.

Mr. RICE. You then said, "All right, go ahead and get it." What financial arrangements were made?

Mr. BILSON. He said he would bill me for it.

Mr. RICE. How much?

Mr. BILSON. You ask me things that I cannot answer you without looking at my report, which you have.

Mr. FINNERTY. I think that is an unfair question. If you have a record, Mr. Rice, why don't you give this gentleman the document?

Mr. RICE. The records have many discrepancies, and that is why I am asking him.

Mr. FINNERTY. You have the best evidence.

Senator KEFAUVER. Mr. Bilson ought to know approximately how much he paid Mr. Gorman.

Mr. BILSON. It ran about \$820 a week.

Mr. RICE. How do you arrive at that figure?

Mr. BILSON. He billed us for \$820 a week.

Mr. RICE. For \$820 a week he said, "I will deliver the news."

Mr. BILSON. Yes.

Mr. RICE. Any other arrangements made about whose employes would be used, or anything like that?

Mr. BILSON. He said he could use my track crew and I said it would be all right.

Mr. RICE. Did he know them?

Mr. BILSON. Evidently he did.

Mr. RICE. What track crew did you turn over to him?

Mr. BILSON. The ones who are on my report.

Mr. RICE. Who were they? We do not have a report.

Mr. BILSON. You have a whole brief case full of them. You have taken them out of my office and I cannot work without them.

Mr. RICE. Who worked in Florida?

Mr. BILSON. Egner, Maloney, Nichols, and Sherry.

Mr. RICE. You turned them over to them and he was to head the crew; is that right?

Mr. BILSON. Who was to head the crew?

Mr. RICE. This man Gorman?

Mr. BILSON. As far as I know, yes.

Mr. RICE. How did you put him in touch with the crew?

Mr. BILSON. They made their own arrangements.

Mr. RICE. He said he was already in touch with them?

Mr. BILSON. Must have been.

Mr. RICE. He then became an independent contractor. He said, "I will deliver the goods."

Mr. BILSON. That is correct.

Mr. RICE. How did you pay him?

Mr. BILSON. By check.

Mr. RICE. By a check of Howard Sports, and you have turned some of them over to us.

Mr. BILSON. I turned pretty nearly all of them over to you.

Mr. RICE. Where did you send the checks?

Mr. BILSON. Sir?

Mr. FINNERTY. You mean at any specific time?

Mr. RICE. What address did you have?

Mr. BILSON. In Florida—General Delivery, Florida.

Mr. RICE. Pretty good-sized place down there.

Mr. BILSON. Anybody can pick up mail at general delivery.

Mr. RICE. What town?

Mr. BILSON. Miami.

Mr. RICE. General Delivery, Miami?

Mr. BILSON. That is right.

Mr. RICE. After a while the news started coming, what did he do? Did he call you up?

Mr. BILSON. What did he do? Call me up?

Mr. RICE. Did he call you collect to deliver?

Mr. BILSON. That is right.

Mr. RICE. He started to produce?

Mr. BILSON. That is right.

Mr. RICE. He called in to Howard Sports collect and you paid the telephone bill and the track crew?

Mr. BILSON. Yes, sir.

Mr. RICE. Did he do a good job?

Mr. BILSON. He did a fairly good job, but the radio stations beat us anyhow.

Mr. RICE. But you continued to pay him?

Mr. BILSON. We had to do the best we could with what we had.

Mr. RICE. When he moved to Maryland, did the same arrangement follow?

Mr. BILSON. Yes, sir.

Mr. RICE. He moved to Maryland?

Mr. BILSON. Yes, sir.

Mr. RICE. When they were running at Pimlico, where did you send his check?

Mr. BILSON. It seems to me—of course, I am in and out, I am not in there all the time, as you know—he had one of his men stop in and pick it up.

Mr. RICE. He never came up there?

Mr. BILSON. I never saw Al Gorman.

Mr. RICE. You have never seen Gorman in your life?

Mr. BILSON. Never have.

Mr. RICE. He sent someone up? You mean from the track crew?

Mr. BILSON. I do not know that he sent specially one from the track crew. Some fellow came up and said he wanted Gorman's check, and I gave it to him.

Mr. RICE. You didn't give it to Gorman, you gave it to anybody?

Mr. BILSON. That is right.

Mr. RICE. When he moved to New Jersey, where did you send the checks?

Mr. BILSON. There was a place in Asbury Park.

Mr. FINNERTY. Don't you have the address?

Mr. RICE. Yes. He sent them to an address in Asbury Park. A staff member went to the address and found it to be Union Hall in Asbury Park and they didn't know anybody by the name of Gorman.

Later on you sent the checks to him in care of Malbro Communication Engineers, which is in Camden. A staff member went there and they said they didn't know him, but they had cashed checks after waiting for the checks to clear, because they knew Howard Sports checks were good.

Mr. BILSON. Didn't you open the letter in my office that was going to Gorman at Camden? You opened that yourself.

Mr. RICE. Yes.

Was it ever delivered?

Mr. BILSON. You wanted me to go over to the post office and register it. I said that was not the bargain. I couldn't walk. I said to Mr. Jackson that the agreement was that you were going to seal that back and mail it. He said, "That is right."

Mr. Jackson and I walked out in the hall and dropped it in the box.

Mr. RICE. While we were over in Mr. Bilson's office about a week ago, he was mailing out checks to this individual who goes under the name of Tropical News. Incidentally, you did not deal with him under the name of Gorman. There was a letter which we opened. I put in a note asking Mr. Gorman to get in touch with us. I haven't heard from him.

Mr. BILSON. You wrote the letter yourself.

Mr. RICE. I wrote a note to him.

Mr. FINNERTY. You enclosed it in the same envelope with the check.

Mr. RICE. We haven't heard anything from him. He is still a mystery man, as far as we are concerned.

Senator KEFAUVER. In addition to this \$800 a week, which you pay this mysterious Mr. Gorman, do you also pay your track crew individually?

Mr. BILSON. That is right.

Senator KEFAUVER. You pay them, and on top of that you pay him \$820 a week?

Mr. BILSON. That is right.

Senator KEFAUVER. That is a lot of money for one man's services.

Mr. BILSON. It is worth a lot of money to get the service. If you do not get the service, you cannot hold the customers together.

Mr. RICE. For the record at this time, Mr. Chairman, we will offer four checks that have been obtained through the courtesy of Mr. Bilson, relating to this Tropical News. The first one is dated March 8, 1951, in the amount of \$500 to Tropical News. It is indicated as part payment for "Hia news." I presume that means Hialeah. The endorsement is "Al Gorman, Tropical News, by George Baker, manager."

Senator KEFAUVER. Mr. Finnerty, you are familiar with these checks?

Mr. FINNERTY. No; I have not seen them.

Senator KEFAUVER. We will pass them to you after they have been identified.

Mr. RICE. The next check is for \$500 to Tropical News, "second payment," on March 14, 1951. It is endorsed, "Tropical News, by George Gorman, owner."

The next one is for \$500, dated June 20.

The last one is dated June 27 and is for \$820 and it is made out to Tropical News and is endorsed, "Tropical News, by George Gorman, manager."

So it is clear that we have the first one by George Baker, manager; the second one by George Gorman, owner; and the last one by George Gorman, manager.

Senator KEFAUVER. Let them be made part of the record.

(The afore-mentioned checks were marked "Bilson Exhibit No. 1," and are on file with the special committee.)

Mr. RICE. The record should show that Mr. Bilson talks about Al Gorman; when Mr. Ing talks about him, he says the fellow he dickered with was a man by the name of R. Gorman. The checks are endorsed by a George Gorman. Can you help us find out who that man is?

Mr. BILSON. I assure you that we have. You know that the letter went out. I cannot go up there and locate him.

Mr. RICE. The track crew and this man called into your place every day?

Mr. BILSON. When they are working; yes.

Mr. RICE. They are still doing it?

Mr. BILSON. For the last 3 or 4 days they have not done it.

Mr. RICE. Why was that?

Mr. BILSON. Your guess is as good as mine. We haven't had news from Monmouth for the last 3 or 4 days.

Mr. RICE. There was a breakdown since last Friday?

Mr. BILSON. Yes.

Mr. RICE. That was the day there was something in the paper that the committee was looking for Gorman?

Mr. BILSON. It could have been.

Senator KEFAUVER. When they call in, they call in after every race?

Mr. BILSON. A few minutes before.

Senator KEFAUVER. And then immediately after?

Mr. BILSON. We hold them on.

Senator KEFAUVER. You keep them on the line?

Mr. BILSON. Yes, sir.

Senator KEFAUVER. Don't you keep them on the line from the beginning of the race, when the race first starts during the day, until the end of the races?

Mr. BILSON. No. We break the connection maybe 10 or 12 times.

Senator KEFAUVER. Let's get on, Mr. Rice.

Mr. RICE. Do you have a man in Bowie taking care of that? Did you have one when they were running?

Mr. BILSON. They were working there; yes.

Mr. RICE. You have a number of calls from a man by the name of Muggins.

Mr. BILSON. He sends the early scratches and riders in.

Mr. RICE. He had nothing to do with what Gorman handles?

Mr. BILSON. No, sir.

Mr. RICE. It is a different proposition. He gets the early line?

Mr. BILSON. Not the line, the riders.

Mr. RICE. Perhaps you can help us on this, Mr. Bilson. In our investigation down in Florida we checked up on the Interstate News and the Dade County News Dealers—Buttsy O'Brien-Haggerty-Keough outfit.

Mr. BILSON. I do not know Buttsy O'Brien or Keough. I have never been in Florida. I talked to someone.

Mr. RICE. You talked to Keough.

Mr. BILSON. That is right.

Mr. RICE. He subscribed to your news and owes you a lot of money.

Mr. BILSON. You are so right.

Mr. RICE. In one day there were telephone calls—you have LD111—that is long distance No. 111?

Mr. BILSON. Yes.

Mr. RICE. There were a number of calls made from O'Brien's outfit, the Dade County News Dealers, to your number in Baltimore.

Mr. BILSON. What number?

Mr. RICE. LD111.

Mr. BILSON. Made calls?

Mr. RICE. Made telephone calls to you. They paid for them.

Mr. BILSON. Where did the calls originate from?

Mr. RICE. From a telephone in Miami, 3-6325 and 3-6321.

Mr. BILSON. Isn't that a scratch sheet?

Mr. RICE. Butsy O'Brien's Scratch Sheet.

Mr. BILSON. We got the scratch information from them.

Mr. RICE. The strange part is that the telephone bill for the Graham Press Scratch Sheet was paid by Dade County News Dealers, which wasn't a scratch outfit.

Mr. BILSON. I didn't know that. We were charged from the scratch sheet.

Mr. RICE. At the same time, the same day, they called through New Orleans, Canal 0037, which was Daily Sports News, Fogarty's outfit in New Orleans.

Mr. BILSON. I called them?

Mr. RICE. What would you call them for?

Mr. BILSON. When our wire failed and I talked to John Fogarty many, many times. If our wire goes down, I contact him, and have done it at times, to see if his wire is holding up at his end, and in that way we get our news back in Baltimore.

Mr. RICE. You would get the news from Fogarty in New Orleans?

Mr. BILSON. I get it from anybody I can.

Mr. RICE. Did you pay him for that?

Mr. BILSON. No.

Mr. RICE. The same day they called Chicago several times and talked to Midwest News, which was another subscriber of Continental.

Mr. BILSON. Who talked to Midwest News?

Mr. RICE. Midwest News.

Mr. BILSON. Who did?

Mr. RICE. Graham Press, Butsy O'Brien's outfit.

Mr. BILSON. I didn't know that.

Mr. RICE. You couldn't account for a reason if they were getting it from you that they would call Fogarty in New Orleans and call Midwest in Chicago?

Mr. BILSON. I wouldn't know the workings of that.

Mr. RICE. For the record, it indicates another channel of the dummy set-up from Continental down through Midwest and Howard and Fogarty, an interchange of information without any compensation changing hands.

How many subscribers to your racing news service do you have now, Mr. Bilson?

Mr. FINNERTY. You mean over-all, Mr. Rice?

Mr. RICE. Yes.

Mr. BILSON. I would say about 12. I am just giving you a guess. I think that is the round figure.

Mr. RICE. Are they all call-in subscribers?

Mr. BILSON. I am taking my printer subscribers in there.

Mr. RICE. How many do you have of those?

Mr. BILSON. About 10.

Mr. RICE. World-Wide News and Music is one of those?

Mr. BILSON. It is not on that circuit.

Mr. RICE. What circuit is he on?

Mr. BILSON. He is on a private wire with the Baltimore News from the telephone company, a leased wire.

Mr. RICE. How does he get his news from you?

Mr. BILSON. On this wire.

Mr. RICE. How does he pay you for it?

Mr. BILSON. He hasn't paid me for some time. He owes.

Mr. RICE. What is his rate per week?

Mr. BILSON. It was \$200. Then we cut it down to \$150. Then we cut it down to \$108. Then he stopped paying. They stopped paying.

Mr. RICE. He paid in the neighborhood of a couple of hundred dollars a day?

Mr. BILSON. Yes.

Mr. RICE. What do the city people pay?

Mr. BILSON. \$40.

Mr. RICE. Why did World-Wide pay more?

Mr. BILSON. He is a competitor.

Mr. RICE. How does he compete?

Mr. BILSON. He is in the same business we are in, practically.

Mr. RICE. Except he gets it from you and sublets it?

Senator KEFAUVER. How many other competitors do you have like World-Wide News that you furnish the information to?

Mr. BILSON. I cannot name any.

Senator KEFAUVER. Who are the others who get it besides World-Wide News?

Mr. FINNERTY. As of this time?

Senator KEFAUVER. As of now.

Mr. FINNERTY. Does Mr. Rice have those records?

Mr. RICE. Yes; we do.

You say he is a competitor. How do you establish that? How do you know what he is doing?

Mr. BILSON. That is the opinion I gathered from him.

Mr. RICE. How do you get your opinion? Do you talk to him?

Mr. BILSON. I have talked to him, but I haven't been in his office but once.

Mr. RICE. You feel he is a competitor because he is selling them to others. The others are not.

Mr. BILSON. When it comes into court, they name the World-Wide and Howard Sports. You gather from that he is certainly a competitor.

Mr. RICE. How many other similar customers do you have? You say he gets it over the telephone. Your man announces over the microphone and he is plugged in and gets it throughout the afternoon? How many others do you have like that?

Mr. BILSON. Baltimore News.

Mr. RICE. How much do they pay?

Mr. BILSON. They do not pay anything. They give us a byline in the paper every night.

Mr. RICE. They give you a byline where they say, "Racing results through the courtesy of Howard News." They do not pay anything. Who else gets it?

Mr. BILSON. That is all. People call in.

Mr. RICE. You have call-in customers?

Mr. BILSON. That is right.

Mr. RICE. How many of those do you have?

Mr. BILSON. Two.

Mr. RICE. What is the most you ever had?

Mr. BILSON. The most I ever had?

Mr. RICE. Yes.

Mr. BILSON. What do you mean now? You are going back to "ever had." Are you talking about when Fontaine was running over here?

Mr. RICE. Any time.

Mr. BILSON. That was 1929, wasn't it?

Mr. RICE. I don't know.

Mr. BILSON. I might have had 40 or 50 at one time.

Mr. RICE. That is the most call-in customers you ever had?

Mr. BILSON. That is right.

Mr. RICE. Who are the two you have now?

Mr. BILSON. I have been over that many, many times with you in the office. I gave you what addresses I had and what names I had and you seem, more or less, to ridicule what I told you. That is all I can tell you.

Mr. RICE. I would like to clear that up. If I gave you the impression, I am sorry, but perhaps the reason has been that we have been unable to find any of these customers at any time.

Mr. BILSON. Mr. Rice, I am not responsible for them, am I?

Mr. RICE. No. There is no suggestion of that.

Who are these two customers?

Mr. BILSON. I don't know who they are.

Mr. RICE. How do you do business with them?

Mr. BILSON. They have numbers.

Mr. RICE. Do you know their numbers?

Mr. BILSON. One is 12, I think, and one is 31.

Mr. RICE. Last week you had four, didn't you?

Mr. BILSON. They are dropping off.

Mr. RICE. There was a raid on one of the places last week, wasn't there?

Mr. BILSON. Yes; there was.

Mr. RICE. H. & H., one on Riggio Road.

Senator KEFAUVER. Mr. Bilson, it is hard to believe that you have a customer like that with a number and you do not know who the company is.

Mr. BILSON. Senator, years ago we had no occasion to go through all this.

Senator KEFAUVER. How do they pay you?

Mr. BILSON. They come in to the office and leave the money or send it in by messenger or send it in by check.

Senator KEFAUVER. Don't you know who brings the money in?

Mr. BILSON. No; we don't.

Senator KEFAUVER. It looks like over the course of time you would get acquainted with who they are, so you would know them and discuss matters with them, whether the service is good or bad.

Mr. BILSON. They tell you that on the telephone right quick, if it is bad.

Senator KEFAUVER. You purposely operate so you won't know who they are; is that part of the plan?

Mr. BILSON. No, sir.

Senator KEFAUVER. Why don't you use "John Jones" instead of "No. 12"?

Mr. BILSON. I am a veteran of World War I and I call everybody Buddy. When a man comes in, I call everybody Buddy. I do that a lot of times. You have a lot of nicknames for people. When a messenger brings the money in, I do not question him, that is a cinch.

Senator KEFAUVER. Who do you write a receipt out to?

Mr. BILSON. No receipt.

Mr. FINNERTY. May I clarify it, to give you my idea. I understand these people pay in advance, don't they, Mr. Bilson?

Mr. BILSON. Yes.

Mr. FINNERTY. Therefore, unless they are paid up, you do not give them news; isn't that correct?

Mr. BILSON. That is correct.

Senator KEFAUVER. Mr. Bilson, we would like to have Richard Mangan and Irving Sherry here. They work for you. Will you try to get them here tomorrow?

Mr. BILSON. I will make every effort, Senator.

Senator KEFAUVER. Any other questions?

Mr. RICE. Not at this time.

Senator KEFAUVER. If we need you again, we will call you.

The committee will stand in recess until 2:15.

(Whereupon, at 12:25 p. m., the committee recessed to reconvene at 2:15 p. m. of the same day.)

AFTERNOON SESSION

Senator KEFAUVER. The committee will come to order, and the chairman apologizes for being late. We had a committee meeting about an executive matter which caused us to be late. I am very sorry.

Mr. Rice, will you call Mr. Matusky and his counsel, Mr. Siegel, back?

TESTIMONY OF LEONARD J. MATUSKY, ACCOMPANIED BY MORRIS SIEGEL—Resumed

Senator KEFAUVER. Mr. Matusky, when you left the stand this morning for the purpose of consulting with your counsel, Mr. Siegel, with reference to the question about whether you had called or had any transaction with Mr. Kelly of Continental Press—I believe that was the issue, wasn't it, Mr. Rice?

Mr. RICE. Yes, Senator.

Senator KEFAUVER. Can you tell us about it?

Mr. MATUSKY. Why I called Kelly and he called me, and it was a matter of money I discussed with him in regard to this fellow Niles, knowing he knew Niles—

Senator KEFAUVER. Mr. Matusky, will you speak up louder. Are these microphones on?

Mr. RICE. I understand it does not amplify the voice.

Senator KEFAUVER. All right, you speak up louder.

Mr. MATUSKY. That was the conversation I had with Kelly.

Senator KEFAUVER. Mr. Rice, do you have any questions?

Mr. RICE. I am sorry, I did not hear about the conversation, Mr. Matusky.

Mr. MATUSKY. Why in reference to money that I was putting up for the company when Niles left here sometime in March, I think we had around \$3,900 worth of bills.

Mr. RICE. \$3,900 where?

Mr. MATUSKY. In overdue bills.

Mr. RICE. From whom?

Mr. MATUSKY. From the telephone company, attorney fees and different bills, Western Union, amounted to approximately \$3,900.

Mr. RICE. The World-Wide News and Music owed money?

Mr. MATUSKY. That's right, sir, and that is one of the things I discussed with him over the phone.

Mr. RICE. You talked about Earl Wyman to Tom Kelly who was manager of Continental Press?

Mr. MATUSKY. That is right.

Mr. RICE. Why did you talk to him?

Mr. MATUSKY. Well, for the reason knowing that he knew Niles and McInerney which were the two men, and in this particular case Niles owned the stock and he was liable for any bills there, and also as far as the contract, I had a 20-year agreement with him at a salary and also Mr. O'Dell. There wasn't any money for salaries, and of course we had these bills when Niles left.

Mr. RICE. Did they owe you money too?

Mr. MATUSKY. Yes, they owe me money. I haven't been paid since that February.

Mr. RICE. At that time though when Niles went west?

Mr. MATUSKY. I hadn't been getting paid.

Mr. RICE. You had not been getting paid?

Mr. MATUSKY. No, sir.

Mr. RICE. So that they owed you money?

Mr. MATUSKY. That's right.

Mr. RICE. Now then you had a problem there to find out how it was going to be paid?

Mr. MATUSKY. That's right.

Mr. RICE. So you communicated with Tom Kelly, of Continental?

Mr. MATUSKY. That's right.

Mr. RICE. Why did you call him instead of Niles?

Mr. MATUSKY. Well, I couldn't get in touch with Niles.

Mr. RICE. Couldn't get in touch with Niles?

Mr. MATUSKY. That's right.

Mr. RICE. This was when, in March, you say?

Mr. MATUSKY. It was sometime in March, I think: yes.

Mr. RICE. And then you called Kelly and what did Kelly tell you?

Mr. MATUSKY. Well, that he would try to get in touch with Niles and see if he could straighten the thing out.

Mr. RICE. Did he straighten it out?

Mr. MATUSKY. Well, to some extent. I am still not paid and he did have Niles come down here like I told you he was in here sometime, I think, in May, with a thousand dollars.

Mr. RICE. He brought a thousand dollars?

Mr. MATUSKY. That's right.

Mr. RICE. In cash?

Mr. MATUSKY. That's right.

Mr. RICE. And you deposited that in the account?

Mr. MATUSKY. No, I didn't deposit that in the account. The company already owed me, I think, twenty-four hundred and some dollars of bills that I paid that were necessary, so all I did was just deduct that \$1,000 and showed a balance of whatever it was that they still owed me.

Mr. RICE. Kelly arranged for Niles to come in: is that the idea?

Mr. MATUSKY. Well, as far as I know he did, because Niles did eventually call me. I don't know whether he just called me on his own.

Mr. RICE. You were not able to reach him, but evidently Kelly did——

Mr. MATUSKY. Apparently he did.

Mr. RICE. He knew what you wanted?

Mr. MATUSKY. That's right.

Mr. RICE. What are you going to do about the bills that are owing now, back salary?

Mr. MATUSKY. Well, I don't know what to do about them. As far as I know I don't know whether this Niles has any money to pay men. In salary I think they owe me around \$10,000 in salary.

Mr. RICE. How much?

Mr. MATUSKY. Around \$10,000.

Mr. RICE. How long a period would that be for?

Mr. MATUSKY. That would be some time in February up until last week. To be exact I think it's \$9,400 plus other moneys that they owe me for bills that I've paid.

Mr. RICE. Just for our information, how long are you going to continue to carry them?

Mr. MATUSKY. Well, I don't intend to carry them much longer.

Mr. RICE. Is your wife on the pay roll?

Mr. MATUSKY. No, sir.

Mr. RICE. Did she draw any compensation from World-Wide?

Mr. MATUSKY. No, sir, not at any time.

Mr. RICE. Did she hold any stock?

Mr. MATUSKY. No, sir.

Mr. RICE. Have you ever been arrested?

Mr. MATUSKY. Have I ever been arrested?

Mr. RICE. Yes.

Mr. MATUSKY. I was arrested one time, yes, sir.

Mr. RICE. When and where was that?

Mr. MATUSKY. That's been so long ago. It was in Washington here. I don't know whether it was 1937 or something like that.

Mr. RICE. Here in Washington?

Mr. MATUSKY. That's right.

Mr. RICE. Who arrested you?

Mr. MATUSKY. I don't know. I wouldn't remember the name.

Mr. RICE. The police department or the Government?

Mr. MATUSKY. No, the police department.

Mr. RICE. What were you doing here?

Mr. MATUSKY. I was operating Teleflash Loud Speaker Corp. at that time.

Mr. RICE. Teleflash Loud Speaker Corp.?

Mr. MATUSKY. That's right.

Mr. RICE. For Nation-Wide which was Annenberg outfit?

Mr. MATUSKY. That's right.

Mr. RICE. What was the charge? What did they arrest you for?

Mr. MATUSKY. Well, nothing happened. I don't even know. I just went down. There was no warrant issued. It was asked by whoever came—I don't remember the name; Mr. Garnett, I remember his name, wanted to talk to me, and I come down and I was never indicted.

Mr. RICE. Did you pay a fine?

Mr. MATUSKY. No, sir.

Mr. RICE. Were you fingerprinted?

Mr. MATUSKY. Fingerprinted, yes, sir.

Mr. RICE. Is that the only time you have been arrested?

Mr. MATUSKY. That's the only time.

Mr. RICE. Did you cease business then in Washington?

Mr. MATUSKY. Yes.

Mr. RICE. Went away and went to Baltimore?

Mr. MATUSKY. No; I think I left and went to New York. I worked for them in New York.

Mr. RICE. Worked for Nation-Wide up there?

Mr. MATUSKY. That's right.

Senator KEFAUVER. Have you been connected with the wire service quite a number of years?

Mr. MATUSKY. That's right.

Senator KEFAUVER. When did you start out with the wire service?

Mr. MATUSKY. I would say in 1935 or 1936.

Senator KEFAUVER. And Annenberg, later on became McBride, later Regan, and later McBride again?

Mr. MATUSKY. That's right.

Senator KEFAUVER. Tom Kelly operating?

Mr. MATUSKY. That's right.

Senator KEFAUVER. You got \$2,000 a week, is that your salary?

Mr. MATUSKY. No; 400 a week.

Senator KEFAUVER. \$1,600 a month?

Mr. MATUSKY. That's right.

Senator KEFAUVER. Did you expect Mr. Niles to take care of these bills because he owns the stock?

Mr. MATUSKY. Well, that was the understanding that he was to take care of the bills.

Senator KEFAUVER. When he came to see you after Mr. Kelly sent him to see you, he had that money in his pocket to pay you \$1,000?

Mr. MATUSKY. That's right.

Senator KEFAUVER. So Mr. Kelly apparently told him that you needed some money?

Mr. MATUSKY. That's right.

Senator KEFAUVER. Did you ask Mr. Kelly to send some money to you?

Mr. MATUSKY. Did I?

Senator KEFAUVER. Yes.

Mr. MATUSKY. Yes, I asked him to send some.

Senator KEFAUVER. Did he send any?

Mr. MATUSKY. No; he hasn't.

Senator KEFAUVER. Has he agreed to?

Mr. MATUSKY. He has agreed to try to help me.

Senator KEFAUVER. How much has he agreed to help you?

Mr. MATUSKY. I don't know that.

Senator KEFAUVER. Has he agreed to pay your salary?

Mr. MATUSKY. No; I haven't discussed that with him.

Senator KEFAUVER. He agreed to see that you got the money to pay your bills, is that the idea?

Mr. MATUSKY. That's right.

Senator KEFAUVER. You are relying upon him to get the money, to see that you get the money to pay your bills?

Mr. MATUSKY. That's right.

Senator KEFAUVER. Why do you rely upon him?

Mr. MATUSKY. Well, originally when this first agreement was made, Mr. Kelly sent down a Mr. Gordon who is now dead, and Mr. Niles. That was some time in 1948, and the conversation was "Well, I would be interested in selling the business."

Senator KEFAUVER. Mr. Matusky, the truth about the matter is that while you have these different companies, some of Kelly's employees own the stock in several corporations and all of you look to Continental and to Mr. Kelly as being the daddy of the whole thing, don't you?

Mr. MATUSKY. Well, I don't know about the others. I did due to the fact that he asked me—

Senator KEFAUVER. Well, you do and actually your company—what is the name of your company?

Mr. MATUSKY. World-Wide News.

Senator KEFAUVER. World-Wide News, Howard, and Continental are for practical purposes about the same thing?

Mr. MATUSKY. Well, I don't know about Howard. I know I did for that one particular reason.

Senator KEFAUVER. Anyway, your company is substantially Continental, isn't that true?

Mr. MATUSKY. I didn't get that, Senator.

Senator KEFAUVER. I say you and Continental are tied in so close that you are all part of the same family?

Mr. MATUSKY. Well, if McInerney and Niles is, that is probably true.

Senator KEFAUVER. Anything else?

Mr. RICE. Yes. You have testified under oath in some proceedings in Baltimore from time to time, haven't you, before?

Mr. MATUSKY. I was before the grand jury.

Mr. RICE. Before the grand jury?

Mr. MATUSKY. Yes.

Mr. RICE. And do you ever recall having been asked a question before about whether or not your wife received any money from World-Wide?

Mr. MATUSKY. I think I was asked that. I am not sure but I think I was asked that.

Mr. RICE. And what was your answer?

Senator KEFAUVER. Won't you keep your voice up, please?

Mr. MATUSKY. I am trying to get a glass of water, Senator. I had a ham sandwich and it was right salty. It was one of those Virginia hams.

What was the question?

Mr. RICE. The question was, What was your testimony about your wife receiving compensation from World-Wide or from Wire Service?

Mr. MATUSKY. She received none.

Mr. RICE. She never received any money?

Mr. MATUSKY. No, sir.

Mr. RICE. What is your wife's name?

Mr. MATUSKY. Gertrude E.

Mr. RICE. Gertrude?

Mr. MATUSKY. E.

• Mr. RICE. That is the only wife you have had?

Mr. MATUSKY. That is right.

Mr. RICE. And she has never received any compensation from World-Wide or from Wire Service?

Mr. MATUSKY. That is correct.

Mr. RICE. Did she have any separate job?

Mr. MATUSKY. No, sir.

Senator KEFAUVER. That is all. Thank you Mr. Matusky. If we need you again, we will let you know.

Mr. RICE. Mr. Myer Rosen.

Senator KEFAUVER. Mr. Rosen, do you swear the testimony you give the committee will be the whole truth, so help you God?

Mr. ROSEN. Yes, sir. Tell them not to take a picture of me, please.

Senator KEFAUVER. All right, sit down. Don't take his picture. He does not want his picture made. We have no control over the press photographers. We can ask them not to take your picture.

TESTIMONY OF MYER ROSEN

Mr. ROSEN. They had me down as a Baltimore sporting figure and I am definitely a workingman.

Senator KEFAUVER. What did you say, Mr. Rosen?

Mr. ROSEN. I said they had me in this morning's paper as a Baltimore sporting figure. I haven't done any sporting in my life.

Senator KEFAUVER. They have already had you in the papers this morning, and again this afternoon?

Mr. ROSEN. Yes, sir.

Senator KEFAUVER. They had you in the paper this morning?

Mr. ROSEN. This morning's paper as a Baltimore sporting figure. Senator KEFAUVER. What are you complaining about?

Mr. ROSEN. I don't want the children to see their daddy is mixed up in anything like that. I am a workingman.

Senator KEFAUVER. Mr. Rosen, where do you live?

Mr. ROSEN. 3837 Reisterstown Road in Baltimore.

Senator KEFAUVER. And where do you work?

Mr. ROSEN. At the Maryland Upholstering Co.

Senator KEFAUVER. All right, Mr. Rice.

Mr. RICE. Mr. Rosen, at one time you were connected with Phil's Bar, is that correct?

Mr. ROSEN. That's right. That was one mistake I made in my life.

Mr. RICE. I beg your pardon?

Mr. ROSEN. I say that is one mistake I made in my life.

Mr. RICE. Where was Phil's Bar located?

Mr. ROSEN. 11 North Paca Street in Baltimore.

Mr. RICE. And tell us how you happened to get into that outfit; what you did and this mistake you are talking about, what it was.

Mr. ROSEN. Well, I had met him through Mr. Oppleman.

Mr. RICE. Louis Oppleman?

Mr. ROSEN. That is right. I met him through some mutual friends, and I was working at the shipyard. That was during the war.

Mr. RICE. About 1944?

Mr. ROSEN. That would be right, and he got in contact with me and asked me if I would like to come to work for him.

Mr. RICE. Who did the friends say he was? How did they describe him to you when they introduced him to you?

Mr. ROSEN. Just Mr. Oppleman is all I know. I didn't know him from Adam, and he asked me if I would like to come to work for him, and I was working in the shipyard at the time, and I says, "After the war is over we will see." He says, "I would have to put the place in your name."

Mr. RICE. He said he would have to put it in your name?

Mr. ROSEN. That's right. That is the mistake I made and I am sorry for it.

Mr. RICE. Did he tell you why?

Mr. ROSEN. Well, the man that he had working for him, the licensee of the place at that time—

Mr. RICE. Schaeffer, wasn't it?

Mr. ROSEN. That's right, a Mr. Schaeffer, and I heard he has passed away now, and I guess he didn't want him there. He just wanted me to take over, that is all.

Mr. RICE. Get rid of Schaeffer and to put you in there?

Mr. ROSEN. That's right.

Mr. RICE. Why didn't Oppleman have it in his own name?

Mr. ROSEN. I don't know. After I was there a while I found out that he had a record and he couldn't get it in his name.

Mr. RICE. He had a record?

Mr. ROSEN. That's right.

Mr. RICE. What sort of a record?

Mr. ROSEN. Oh, I don't know, I mean it's been in the papers there, I mean it's a fact, it is a known fact.

Mr. RICE. Narcotics or gambling?

Mr. ROSEN. That is right, narcotics. Not gambling that I know of.

Mr. RICE. Narcotics?

Mr. ROSEN. That's right.

Mr. RICE. So Oppleman had the place and he needed someone to front for him; didn't he?

Mr. ROSEN. Well, as far as I know Mr. Schaeffer, I took it over from him, and it was all through Mr. Oppleman.

Mr. RICE. What were the arrangements? What did Oppleman tell you you were supposed to do?

Mr. ROSEN. I was supposed to go to work for him, and I told him I wouldn't go to work for him until the war was over, which I didn't.

Mr. RICE. In the meantime, did he have you put your name on the license?

Mr. ROSEN. That's right. That was in December, if I remember right, 1944, and I left the shipyard—well, the war was just over in July, if I am not mistaken. It was almost signed and sealed. That was in July 1945. Then I went to work for him.

Mr. RICE. Now before that you went down and filled out the application for the liquor license?

Mr. ROSEN. That's right.

Mr. RICE. And you said in that you were the owner?

Mr. ROSEN. That is right.

Mr. RICE. That was wrong; wasn't it?

Mr. ROSEN. That definitely was wrong.

Mr. RICE. It was all Mr. Oppleman's?

Mr. ROSEN. That's right.

Mr. RICE. What did you get out of it?

Mr. ROSEN. \$75 a week.

Mr. RICE. While you were in the shipyard?

Mr. ROSEN. No, sir. Nothing in the shipyard.

Mr. RICE. What did you get when you went down and put your name on it?

Mr. ROSEN. Nothing.

Mr. RICE. That is just an accommodation?

Mr. ROSEN. That was all. He says, "When you get done with the shipyards, then you come to work for me."

Mr. RICE. After the war was over?

Mr. ROSEN. That's right, that is when I went to work.

Mr. RICE. No more draft, then you can go over there and work?

Mr. ROSEN. There was no draft with me.

Mr. RICE. Well, you were in the shipyard.

Mr. ROSEN. Not the shipyard. I was a little past that age.

Mr. RICE. You were what?

Mr. ROSEN. Past that age of a draft business. I didn't go in the shipyard to keep from getting drafted.

Mr. RICE. I did not mean to infer that.

Mr. ROSEN. I was a little past that age.

Mr. RICE. You were helping the national defense.

Mr. ROSEN. That's right.

Mr. RICE. And then after the war was over you went over and you—

Mr. ROSEN. Then I went to work for him.

Mr. RICE. What did you do there?

Mr. ROSEN. I was a bartender at night.

Mr. RICE. You were also the licensee with your name on the license?

Mr. ROSEN. That is right.

Mr. RICE. What was the name on that, the name of the place?

Mr. ROSEN. Phil's Bar and Lounge. That was the trade name.

Mr. RICE. And Myer Rosen, licensee?

Mr. ROSEN. That's right.

Mr. RICE. But all the time it was Oppleman's?

Mr. ROSEN. It was all pencil and paper work.

Mr. RICE. Was there a holding company or something?

Mr. ROSEN. No, sir; not as I know of.

Mr. RICE. Who handled the bank account?

Mr. ROSEN. You see, for the first two and a half years—well, the first 6 months I was down at the shipyard, and 2 years after that I was night work. All the work—Mr. Schaeffer, he was day work for two full years.

Mr. RICE. After you were there?

Mr. ROSEN. After I was there. I come to work at 5:30. Two o'clock I went home to my family.

Mr. RICE. Who handled the bank account?

Mr. ROSEN. Mr. Schaeffer. He had authority. The account was in my name, naturally, but he had authority to pay bills and what not.

Mr. RICE. The account was in your name in what bank?

Mr. ROSEN. At a branch of the Maryland Trust. That would be the Dovers Mechanic.

Mr. RICE. Maryland Trust?

Mr. ROSEN. A branch of the Maryland Trust.

Mr. RICE. And you were entitled to sign checks on that account?

Mr. ROSEN. I was, but I didn't.

Mr. RICE. Was it in the name of Myer Rosen?

Mr. ROSEN. That's right.

Mr. RICE. And all the money that was taken in there came up and went through your account?

Mr. ROSEN. Through my account, but through Mr. Schaeffer.

Mr. RICE. Schaeffer was handling it?

Mr. ROSEN. That's right.

Mr. RICE. Did you ever go down and make any deposits?

Mr. ROSEN. No, not for the first 2 years.

Mr. RICE. Did you ever?

Mr. ROSEN. I made one deposit when I took over the place. All the money before then was drawn out and I opened a new account under Myer Rosen. He gave me \$1,000 to open an account. That was a checking account.

Mr. RICE. Put in \$1,000?

Mr. ROSEN. That is right.

Mr. RICE. This is a bar where they sell drinks and things like that?

Mr. ROSEN. That's right.

Mr. RICE. And you closed up at the end of the day?

Mr. ROSEN. Sir?

Mr. RICE. You closed up at the end of the day?

Mr. ROSEN. That's right. That first 2 years.

Mr. RICE. While you were there, what was the average day's receipts, gross receipts, approximately?

Mr. ROSEN. Well, the week ends would be more than during the week.

Mr. RICE. Yes, I understand that. What would it be, say, on a Saturday night?

Mr. ROSEN. Saturday night around three, I guess.

Mr. RICE. About three hundred?

Mr. ROSEN. Yes, sir. That was early, not toward the end. Toward the end we weren't making a dime; that is, he wasn't.

Mr. RICE. So in any event all the time it was something less than three hundred?

Mr. ROSEN. When are you talking about?

Mr. RICE. Any time that you had anything to do with it.

Mr. ROSEN. Sometimes it was three, sometimes slightly more, and most of the time it was less.

Mr. RICE. Well, maybe this will help you. On the bank account down there at the Maryland Trust Co., we have taken a look at it and it was carried in the name of Phil's Packaged Liquors; is that right?

Mr. ROSEN. No, sir; it was changed. It was originally, that is what I heard, a package liquor store, and the name was changed to Phil's Bar and Lounge. It used to be a package liquor store.

Mr. RICE. 11 North Paca?

Mr. ROSEN. That's right.

Mr. RICE. Phil's?

Mr. ROSEN. That's right.

Mr. RICE. The bank account there shows a number of large deposits such as \$2,000, \$16,000, \$1,400, \$1,400, during the time that you were there. Do you know what that money represented?

Mr. ROSEN. No.

Mr. RICE. You made deposits every day?

Mr. ROSEN. I did when I had the daytime job. Every day that the bank was open I took the money down there, but Mr. Schaeffer when he took it down, I don't know how often he banked it.

Mr. RICE. Just tell us what that money was that was going in there.

Mr. ROSEN. The money that I put in was the receipts from the bar.

Mr. RICE. How about the other money that was going in there?

Mr. ROSEN. That I don't know nothing about.

Mr. RICE. Did you ever see Johnny Maddock around there?

Mr. ROSEN. From the bar?

Mr. RICE. Have you seen him here today?

Mr. ROSEN. Yes; I have.

Mr. RICE. What did he have to do with it?

Mr. ROSEN. Nothing outside of the bar.

Mr. RICE. Did you ever see him talking to Oppleman?

Mr. ROSEN. I have.

Mr. RICE. Did you see them together?

Mr. ROSEN. I have seen them together. I mean it would be at the bar or walk around or go in the back room. I have never seen or heard anything they talked about.

Mr. RICE. How frequently would Maddock be in there?

Mr. ROSEN. Not frequently. In fact, the first 2 years I was there I never saw him hardly. Very seldom even when I was daytime.

Mr. RICE. That was when you were at night?

Mr. ROSEN. At night I never saw him there, never. Wouldn't even know him.

Mr. RICE. Now, during 1945 you came on and started working days, didn't you, in the fall?

Mr. ROSEN. Mid-forty-seven.

Mr. RICE. Forty-seven?

Mr. ROSEN. Mid-forty-seven.

Mr. RICE. When did you leave there altogether?

Mr. ROSEN. Two years ago.

Mr. RICE. I have a series of checks here. I wonder if you can help us out on these. They are drawn on that account. Here is one drawn December 13, 1945, on that Maryland Trust Co. account to Louis Levinson in the amount of \$7,227, deposited in Newport, Ky.

Mr. ROSEN. I don't know anything about it.

Mr. RICE. Did you ever hear anything about Louis Levinson?

Mr. ROSEN. Never heard of him.

Mr. RICE. Wouldn't know any reason why "Sleep Out Louie" would be receiving \$7,000 in Phil's Bar account?

Mr. ROSEN. No, sir. That was all daytime; I didn't know a thing about it—what they were doing with my name during those 2½ years. I couldn't tell you. I don't know.

Mr. RICE. Here is one on December 21, 1945, on the Phil's Bar account on the Maryland Trust Co. in the amount of \$4,000, drawn to Phillips Bros. The endorsement shows Phillips Bros., by—it looks like—I. P. Oppleman, deposited down in Lynchburg, Va.

Mr. ROSEN. I couldn't tell you nothing about it.

Mr. RICE. Couldn't give us any help on that?

Mr. ROSEN. Never heard it.

Mr. RICE. Here is another one on March 19, 1946, to Louis Levinson, \$10,000.

Mr. ROSEN. As far as I know, they never carried that kind of money on the account.

Senator KEFAUVER. Mr. Rice, who signed these checks?

Mr. RICE. These are cashier's checks, Senator, that were obtained on the Phil's Bar account at the bank in the Maryland Trust Co.

Senator KEFAUVER. Mr. Rosen, that was your business. You had charge of the bank account. Who was authorized to draw the money out?

Mr. ROSEN. Mr. Schaeffer.

Senator KEFAUVER. Mr. Schaeffer?

Mr. ROSEN. He took care of all the business.

Senator KEFAUVER. Did you have any authority to draw money out?

Mr. ROSEN. I certainly did, but I never had occasion to.

Senator KEFAUVER. Did you ever?

Mr. ROSEN. I did when we would get the license, I would sign that check.

Senator KEFAUVER. That is the only check you signed?

Mr. ROSEN. Yes, sir. That is when I was night work. That was for \$1,000 went to the Maryland Liquor Board. That is the only checks I signed.

Senator KEFAUVER. And all the rest of the account was handled by Mr. Schaeffer?

Mr. ROSEN. Yes, sir, definitely was.

Senator KEFAUVER. Has it been shown who Mr. Schaeffer was?

Mr. POLSKI. He was the former licensee.

Mr. RICE. There is another check here to Louis Levinson for \$10,000 in 1946. Two of the \$10,000 checks to Louis Levinson are endorsed 633 News Service and deposited out there in Newport, Ky.

I think about a week ago, Mr. Chairman, we had some testimony from Newport, Ky., about the 633 Club and "Sleep Out Louie" Levinson having a horse book establishment out there. There is a check here for \$10,000 dated May 31, 1946, drawn to Louis Dove, endorsed by Louis Dove and deposited in the Riggs Bank here in Washington.

Mr. ROSEN. I wouldn't know nothing about it.

Mr. RICE. Do you know who Louis is?

Mr. ROSEN. Nothing at all. Never heard of him.

Mr. RICE. Never heard of him?

Mr. ROSEN. Never heard of him.

Mr. RICE. Here is another one to a fellow by the name of Fred Wyse drawn March 14, 1946, for \$1,640 and deposited at the City National Bank of Houston in the account of Fred Wyse. I understand he did own a horse named Buzz-Fuzz.

Mr. ROSEN. Don't know him.

Mr. RICE. I am sorry, I am mistaken.

Senator KEFAUVER. Let the record show he doesn't know who owned Buzz-Fuzz.

Mr. RICE. Now here is one to Morris Halpern for \$20,000 drawn July 2, 1946, and that is endorsed by Morris Halpern and Shephard Klein and deposited in the Peoples Bank and Savings Co. in Cincinnati. You don't know who those people are, either?

Mr. ROSEN. That name Halpern is familiar, but you would have to come after the mid-'47's before I would remember anything. I never took anything down to the bank until mid-'47.

Senator KEFAUVER. You were in big-time business but you did not know about it?

Mr. ROSEN. I didn't know from nothing. Strictly a working man.

Senator KEFAUVER. Anything else, Mr. Rice?

Mr. RICE. Yes. In 1948, you started working days, didn't you?

Mr. ROSEN. I was daytime then; yes, sir.

Mr. RICE. Here are substantial checks running down through '48. I wonder if you would take a look at some of these and see if you can help us.

Senator KEFAUVER. Just keep your seat, Mr. Rosen. He will bring them to you.

Mr. ROSEN. All these checks I don't know nothing from them.

Mr. RICE. Take a look at the checks.

Mr. ROSEN. Down to the bank a few times there between mid-'47 and the time I left there.

Mr. RICE. Did you go down there one time and take a check or get a check for Morris Halpern?

Mr. ROSEN. That name is familiar.

Mr. RICE. Tell us about that.

Mr. ROSEN. A few times he had given me money to go down—

Mr. RICE. Who is he?

Mr. ROSEN. Mr. Oppleman. He had given me money.

Mr. RICE. About how much?

Mr. ROSEN. I don't remember the exact amount, two, three, four thousand dollars.

Mr. RICE. In cash?

Mr. ROSEN. That's right.

Mr. RICE. Where did he get it?

Mr. ROSEN. I don't know.

Mr. RICE. Out of his pocket?

Mr. ROSEN. I don't know. The last 2 years' business was very bad and he would give me the money, say go down and make out a slip, and on that slip was a name. I wouldn't remember the names if I heard them, and the city on them. Go down and get a cashier's check.

Mr. RICE. Like Cincinnati?

Mr. ROSEN. I don't recall the exact name of the city, and I don't recall the names. And I would give the slip of paper to the man at the bank and give him a quarter and he wrote out a cashier's check or made out a check and give it to me, and I would give it to Mr. Oppleman.

Mr. RICE. You did not deliver it to Halpern?

Mr. ROSEN. No, sir. I give it to Mr. Oppleman.

Mr. RICE. Did you do any thinking about what this might be?

Mr. ROSEN. No, sir; not too much, not too much.

Mr. RICE. You did a little bit?

Mr. ROSEN. I did my day's work and went home to my family. I didn't mess with anything.

Mr. RICE. What would be your best guess about what that was?

Mr. ROSEN. I don't know. I couldn't tell you.

Mr. RICE. You just couldn't tell?

Mr. ROSEN. I mean it is just one of them things. I don't know from anything.

Mr. RICE. Well, we have totaled up the amount of the checks they took out of there in 1947, and it comes to \$197,000. That is far in excess of what you were doing as licensee of the business. Didn't it look to you like you ought to get some explanation ready about what this was all about?

Mr. ROSEN. He had told me once if anybody asks you about that, he give me the money, that's all.

Mr. RICE. Anybody asked you about that?

Mr. ROSEN. Mr. Oppleman give me the money, that's all.

Mr. RICE. And you go to find him and he is gone. That is what it amounts to, isn't it?

Mr. ROSEN. I haven't see him in 2 years. Believe me when I tell you that. From the day I left there I haven't laid eyes on him.

Mr. RICE. Did Johnny Maddock ever bring any checks in to be cashed?

Mr. ROSEN. Not to me.

Mr. RICE. Some were brought in there, though, weren't they?

Mr. ROSEN. I cashed some checks Mr. Oppleman give me. When I went down to make my deposits, I would——

Mr. RICE. Did you distinguish between the ones to Maddock and the other people?

Mr. ROSEN. No; I wouldn't remember the names.

Mr. RICE. What would they be for, what sort of a transaction?

Mr. ROSEN. What do you mean?

Mr. RICE. What was Maddock getting checks cashed there for?

Mr. ROSEN. I don't know whether he was getting checks cashed or not. Mr. Oppleman give them to me. Maddock did not. I don't know

whose checks they were. Oppleman would give it to me and I would take it down to the bank and cash it and give the money to Oppleman.

MR. RICE. Well, you would see his signature on the back, wouldn't you?

MR. ROSEN. I don't recall names.

MR. RICE. Did you see some to Patty Clark?

MR. ROSEN. Might have been.

MR. RICE. Might have been?

MR. ROSEN. Might have been.

MR. RICE. Do you know who Patty Clark is?

MR. ROSEN. I do.

MR. RICE. Did he come in with Maddock?

MR. ROSEN. No; he used to come in the bar once in a while.

MR. RICE. With Oppleman?

MR. ROSEN. As a customer.

MR. RICE. When Oppleman would leave there in the afternoon, where would he go?

MR. ROSEN. That is something I don't know.

MR. RICE. Where would he leave a telephone to get in touch with him, what telephone?

MR. ROSEN. Once he give me a Laurel number.

MR. RICE. Some number out there in Laurel. Did you ever call him out there?

MR. ROSEN. I had occasion maybe once or twice.

MR. RICE. Maddock answered the phone?

MR. ROSEN. No, sir.

MR. RICE. Patty Clark?

MR. ROSEN. I wouldn't recognize any voices.

MR. RICE. Wouldn't recognize?

MR. ROSEN. No, sir.

MR. RICE. Did you get a hold of Oppleman out there sometimes?

MR. ROSEN. Just once or twice as I remember. Something came up in the bar and I called him and got in touch with him.

MR. RICE. Is that the place where the police raided it around Christmas time?

MR. ROSEN. I couldn't tell you what place it was, the exact place. I don't know.

MR. RICE. I don't think I have any further questions.

Senator KEFAUVER. Senator Hunt?

Senator HUNT. No questions.

Senator KEFAUVER. What are you doing now, Mr. Rosen?

MR. ROSEN. Upholstering.

Senator KEFAUVER. What happened when you went out of business with these people?

MR. ROSEN. He just called up there one day and says, "Myer, I am selling the place. Come on with me,"—out of a clear sky. I went with him up to the lawyer, signed it over, and that was that.

Senator KEFAUVER. He called and said he was selling your place?

MR. ROSEN. He was selling the place. He was the boss. I mean I had no say-so there.

Senator KEFAUVER. You had the license, didn't you?

MR. ROSEN. I don't work that way. If he said he wanted to sell the place, it was his place. He had a right to do with it what he wanted.

SENATOR KEFAUVER. What did he give you when he sold it?

MR. ROSEN. Nothing. Two weeks' pay I had coming. Give me \$200 and I had 2 weeks' pay coming.

SENATOR KEFAUVER. When you signed up for the license, didn't you have to sign that you were the owner?

MR. ROSEN. That's right. That's the mistake I made.

SENATOR KEFAUVER. Did you get a Federal license to it, too?

MR. ROSEN. Yes, sir; all bars have.

SENATOR KEFAUVER. Wholesale?

MR. ROSEN. Not wholesale, retail.

SENATOR KEFAUVER. Federal retail license?

MR. ROSEN. Yes, sir.

SENATOR KEFAUVER. State retail license?

MR. ROSEN. Yes, sir.

SENATOR KEFAUVER. City retail license?

MR. ROSEN. A trader's license, I think they have for that.

SENATOR KEFAUVER. You did not have a gambling casino?

MR. ROSEN. Nothing whatsoever. That place was as clean as a pin. Even Mr. Oppleman if somebody would come in with a scratch sheet, he says, "Tell that man to take that scratch sheet off the bar." That place was clean, believe me when I tell you that, because he wouldn't jeopardize his license to have anything going on in the bar. That place was strictly clean.

MR. RICE. How about these paper bags he would bring in with small bills in them?

MR. ROSEN. There was a bag he would give me some money to take down and get a cashier's check.

MR. RICE. Every once in a while he would come in with a paper bag that had fives and tens in it?

MR. ROSEN. Sometimes it was. A few times it was big bills, other times small bills.

MR. RICE. What were the biggest bills?

MR. ROSEN. Hundred-dollar.

MR. RICE. Hundred-dollar bills?

MR. ROSEN. As far as I remember.

MR. RICE. Sometimes he would bring in a bag full of just fives and tens?

MR. ROSEN. That was just a few times. I mean you can check back on these checks and tell how many times I got these, and then again he might have sent somebody down there to get some of these cashier's checks without me knowing it. He could have sent the bartender, the barmaid down there. They knew Phil's Bar, that's all.

SENATOR KEFAUVER. What do you think all this money was for?

MR. ROSEN. I don't know; didn't give it a thought.

SENATOR KEFAUVER. You weren't supposed to think about it?

MR. ROSEN. I wasn't supposed to. I just don't think, that's the trouble.

SENATOR KEFAUVER. All right, that is all, Mr. Rosen.

Is Mr. Oppleman here?

MR. RICE. I would certainly like to talk to Mr. Oppleman, Senator, but we do not seem to be able to find him.

Johnny Maddock?

MR. O'CONNELL. Mr. Maddock was here until the committee recessed. I have a letter here.

Senator KEFAUVER. Mr. Rosen asked that he not have his picture taken. I am not directing anybody, but I would be very happy if the pictures made were not used. At least I ask that they not be.

This is re Mr. John Maddock:

The above patient has been under my care for a recurrent active duodenal ulcer and has recently been hospitalized, and discharged.

Today he reported to this office and because of his condition at this time, we find it necessary to hospitalize him again. He is in much pain and passing blood.

If any further information is desired, please contact this office.

Sincerely yours,

MAURICE MENSCH, M. D.,
1730 I Street, NW, Washington.

Mr. O'CONNELL. I might suggest to the Senator—

Senator KEFAUVER. What is your name, sir?

Mr. O'CONNELL. T. Edward O'Connell of the Washington, D. C., bar.

The last time Mr. Maddock was before the committee, thereafter he was confined to the hospital for 3 days for the same illness, and I volunteer that the Senate may appoint any doctor you feel free to and we will waive any objection we might have to it, and that doctor may examine Mr. Maddock.

Senator KEFAUVER. All right, Mr. O'Connell, we will have someone examine your client, Mr. Maddock, and it will be satisfactory to contact you relative to the time and place.

Mr. O'CONNELL. Very good, sir.

Mr. RICE. Mr. O'Connell, where is he now?

Mr. O'CONNELL. George Washington Hospital.

Mr. RICE. He is in the hospital?

Mr. O'CONNELL. Right now.

Mr. RICE. Was he here this morning?

Mr. O'CONNELL. He was here until the committee recessed.

Senator KEFAUVER. This morning we had a medical certificate about Mr. Sapperstein, August 7, 1951. Senator Hunt, will you read this?

Senator HUNT. This certification is dated August 7, 1951. It is addressed:

To Whom It May Concern:

This is to certify that I have examined and treated Mr. Ike Sapperstein, age 50, 4119 Boarman Avenue, Baltimore, Md., on August 6, 1951, and that he is to come in for further treatment because of a rather severe situational depression and a severe neurosis of the obsessive and anxiety type.

It is my opinion that any court procedure such as an investigation procedure, which he believes he is to undergo again, should be postponed for at least 10 days to 2 weeks. We feel that with intensive psychotherapy he will be able to proceed with any situations that may be needed and that he will make a fairly satisfactory adjustment to his problems. Certainly any attempt to force this man to undergo such investigation procedure at this time, is dangerous to his well-being and may cause him serious consequences from a nervous and emotional standpoint.

It is signed Philip Lerner, M. D.

Senator KEFAUVER. That does not appear to be a satisfactory medical certificate. We will direct the staff to have someone examine Mr. Sapperstein, and unless they find a more serious condition than set forth in this medical certificate, order him to be here at 10 o'clock tomorrow morning.

Who is next? Is Mr. Aaronson here.

Mr. AARONSON. do you solemnly swear that the testimony you give the committee will be the whole truth, so help you God?

(The witness nodded in the affirmative.)

Senator KEFAUVER. Mr. Aaronson, you are represented by?

Mr. HARRINGTON. T. Barton Harrington and Bernard C. O'Sullivan.

Senator KEFAUVER. Mr. Aaronson, your first name is Samuel?

TESTIMONY OF SAMUEL AARONSON, BALTIMORE, MD., ACCOMPANIED BY T. BARTON HARRINGTON AND BERNARD C. O'SULLIVAN, ATTORNEYS, BALTIMORE, MD.

Mr. AARONSON. Yes, sir.

Senator KEFAUVER. Speak up, sir.

Mr. AARONSON. Yes, sir.

Senator KEFAUVER. How old are you, sir?

Mr. AARONSON. Thirty-nine.

Senator KEFAUVER. Where do you live?

Mr. AARONSON. Baltimore, Md.

Senator KEFAUVER. What is your street address?

Mr. AARONSON. 2719 Cylburn Avenue.

Mr. STATHIS. Do you have any interest in the Blue Mirror, Mr. Aaronson?

Mr. AARONSON. I am the sole owner of the Blue Mirror.

Mr. STATHIS. What is your interest? Is the Blue Mirror a corporation or is it a partnership?

Mr. AARONSON. I own the Blue Mirror myself.

Mr. STATHIS. You haven't answered the question. I asked you whether it was a corporation or a partnership.

Mr. AARONSON. No partnership. I am the sole owner.

Mr. STATHIS. You still haven't answered my question.

Senator KEFAUVER. Counsel, I think he probably misunderstands your question. As I understand it, you individually are the sole owner?

Mr. AARONSON. Yes, sir.

Senator KEFAUVER. You have no incorporation and you have no partnership?

Mr. AARONSON. That is right, sir.

Mr. STATHIS. Where is the Blue Mirror located, Mr. Aaronson?

Mr. AARONSON. 929 North Charles Street in Baltimore, Md.

Mr. STATHIS. Do you know the number of shares of stock that are outstanding?

Mr. HARRINGTON. Senator Kefauver, the man has told you it is not a corporation. There are no shares of stock.

Senator KEFAUVER. Mr. Stathis, is it your information that it is a corporation?

Mr. STATHIS. I asked Mr. Aaronson if it were a corporation or not, and he has not answered my question.

Senator KEFAUVER. He said he was the sole owner.

Mr. STATHIS. He can be the sole owner and be doing business under a trade name. You can be the sole owner and be doing business as a corporation. Which is it?

Mr. SULLIVAN. Mr. Chairman, certainly not.

Senator KEFAUVER. What did you say, Mr. O'Sullivan?

Mr. O'SULLIVAN. Certainly not. You can't be a sole owner if it is a corporation. It is a separate entity.

Mr. STATHIS. If he is the sole stockholder of the corporation he is certainly the sole owner of it.

Mr. O'SULLIVAN. He is not. If you check the law in corporations, you will find that.

Senator KEFAUVER. There is no need in having an argument about this. As I understand it, you own the business in your own name as an individual and you have no corporation, no partnership.

Mr. AARONSON. That is exactly correct, sir.

Senator KEFAUVER. You have no shares of stock in connection with it?

Mr. AARONSON. No, sir.

Senator KEFAUVER. You just own the bar, whatever it is?

Mr. AARONSON. That is right.

Mr. STATHIS. That is the point that I wish to clarify. Now what kind of business is it, Mr. Aaronson?

Mr. AARONSON. A cocktail lounge.

Mr. STATHIS. When did you buy the business?

Mr. AARONSON. In February of 1950.

Mr. STATHIS. From whom did you buy the business?

Mr. AARONSON. Mr. Reese. I think it was a corporation. I don't remember just how they were set up. Mr. Reese, Mr. Birnbaum. I think that is what his name is, Murray Reese.

Mr. STATHIS. Murray Reese?

Mr. AARONSON. Yes.

Mr. STATHIS. Was there an individual named James N. Georges involved in that corporation?

Mr. AARONSON. I say I think it was a corporation. I just forget the other names they had on it, sir.

Mr. STATHIS. But you bought it on February 6, 1950?

Mr. AARONSON. I don't remember the exact date. It was in February, sir.

Mr. STATHIS. How much did you pay for the business?

Mr. AARONSON. \$20,000 plus the stock.

Mr. STATHIS. You paid how much?

Mr. AARONSON. \$20,000 plus the stock.

Mr. STATHIS. How much did you pay for the stock?

Mr. AARONSON. I don't remember at this time, sir.

Mr. STATHIS. Well, give me an approximate figure.

Mr. AARONSON. I can't remember at this time, sir.

Mr. STATHIS. But you bought it sometime in February 1950. That was approximately only a year and a half ago, and you are a successful businessman, and yet you claim that you can't remember how much money you paid for the stock?

Mr. AARONSON. It wasn't too much. I say I don't remember the exact amount.

Mr. STATHIS. I don't want the exact amount. I want you to give me an approximate amount.

Mr. AARONSON. I think it was around thirty-seven hundred dollars.

Mr. STATHIS. Around \$3,700?

Senator KEFAUVER. Mr. Stathis, what stock is he talking about, the merchandise on hand?

Mr. STATHIS. Yes; that is what I meant, the merchandise on hand.

Mr. AARONSON. Yes.

Mr. STATHIS. About thirty-seven hundred?

Mr. AARONSON. Something like that.

Mr. STATHIS. So that you paid for it approximately \$23,700. Now when you bought it the business was in the form of a corporation, is that right? I think you have testified that when you bought it from a certain Mr. Reese—

Mr. AARONSON. I said before I think they were a corporation. I am not sure now. Mr. Reese, I remember him because I transacted business with him, but I think I remember the name you mentioned before. Was it a Georges or George, or something? I think his name was on the corporation. I am not sure.

Mr. STATHIS. Was it a corporation or wasn't it at that time?

Mr. AARONSON. I said I thought it was.

Mr. STATHIS. You thought it was?

Mr. AARONSON. That is right.

Mr. STATHIS. Who represented you in the transaction?

Mr. AARONSON. Pardon me?

Mr. STATHIS. Did any attorneys represent you in that transaction?

Mr. AARONSON. Yes, sir.

Mr. STATHIS. Who were the attorneys?

Mr. AARONSON. Mr. Oscar Zenitz was my attorney.

Mr. STATHIS. He is not here right now?

Mr. AARONSON. No, sir.

Mr. STATHIS. When you paid about \$23,700 for the business, you say that you assume it was in the form of a corporation. Now what was it that was transferred to you, the shares of stock?

Mr. AARONSON. I don't remember that at all, sir. I answered you I thought I bought it from a corporation. I am most sure I did, but how this settlement transpired and all that, I don't know. Everything is on record.

Mr. STATHIS. What is on record? Exactly what is on record?

Mr. AARONSON. Exactly the settlement. It is all a legitimate deal. It went through a lawyer, got the necessary paper and the necessary procedure was gone through.

Mr. STATHIS. This transaction only transpired about a year and a half ago and yet you come in here at this time and you tell me that you don't remember whether or not when you bought the business it was being conducted as a corporation or a partnership. Do you expect us to believe that, Mr. Aaronson?

Mr. AARONSON. I wasn't too interested in the stock or in the corporation or how it was. My lawyer took care of all that. I don't remember that, sir.

Mr. STATHIS. Where did you get the \$23,700?

Mr. AARONSON. Will you phrase that question again, sir?

Mr. STATHIS. Where did you get the \$23,700?

Mr. AARONSON. Well, I went to a friend of mine and asked him if he could not help me out—a long-time friend of mine.

Mr. STATHIS. Who was that long-time friend?

Mr. AARONSON. What is that?

Mr. STATHIS. Who was that long-time friend?

Mr. AARONSON. Mr. Sapperstein.

Mr. STATHIS. Mr. Sapperstein?

Mr. AARONSON. That's right, and he thought it over for a while. I thought it was a very good proposition. I wanted to go in business and he said he would see what he could do for me.

Mr. STATHIS. What did you say to Mr. Sapperstein?

Mr. AARONSON. What is that?

Mr. STATHIS. What did you say to Mr. Sapperstein?

Mr. AARONSON. What is that?

Mr. STATHIS. What did you say to Mr. Sapperstein?

Mr. AARONSON. Well, I wanted to go in business and I thought the Blue Mirror was a very good buy at that price, and I thought I could make some money, and I would appreciate it very much if he would give me some help. We had been friends for a long, long time, and he said he would think it over.

Mr. STATHIS. How long have you known Mr. Sapperstein?

Mr. AARONSON. Oh, I have known Mr. Sapperstein, I guess practically all my life, I guess.

Mr. STATHIS. Did you know him in 1935?

Mr. AARONSON. Pardon me?

Mr. STATHIS. You have known him practically all your life?

Mr. AARONSON. Well, when I say that I mean pretty long time.

Mr. STATHIS. Well, how long?

Mr. AARONSON. I guess about—I can't say how long. Maybe 15, 16 years—17. I don't know now.

Mr. STATHIS. You have known him for 15, 16, or 17 years; and as I understand it, you explained the situation to Mr. Sapperstein and he agreed with you that the Blue Mirror was a very good buy; is that correct?

Mr. O'SULLIVAN. Mr. Chairman, honestly he has not said that and I know we are not before a court, but he has not said that.

Senator KEFAUVER. Mr. O'Sullivan, I think the testimony was that he bought the Blue Mirror——

Mr. O'SULLIVAN. That is true, Mr. Chairman; that is true——

Senator KEFAUVER. Just a minute. He thought it was a good buy and he explained it to Mr. Sapperstein and Mr. Sapperstein let him have the money.

Mr. O'SULLIVAN. He has not said that at all.

Senator KEFAUVER. Well, then what is the truth about it?

Mr. AARONSON. The counselor interrupted me before I could finish.

Mr. STATHIS. That is what I want to know.

Senator KEFAUVER. You go on in your own way and tell about it.

Mr. AARONSON. I went to Mr. Sapperstein and asked him if he could not help me out, and being friends I thought he would do it for me. He said he would think it over. In the meanwhile I understand there were several people trying to buy the place, and I thought it had a lot of possibilities and I told him to look it over and look around. After he did, he says, "Well, I will try to help you."

I went to the Union Trust Co. and consummated a loan, and Mr. Sapperstein was the endorser of the loan to me. It was taken care of, as I said, through the Union Trust Co. of Baltimore, Md.

Mr. STATHIS. The money was lent to you by what trust company?

Mr. AARONSON. The Union Trust Co.

Mr. STATHIS. The Union Trust Co. of Baltimore, Md.?

Mr. AARONSON. Yes, sir.

Mr. STATHIS. And did you sign a note for the money?

Mr. AARONSON. Yes, sir.

Mr. STATHIS. And was Mr. Sapperstein a comaker of the note or was he an accommodation endorser?

Mr. AARONSON. He endorsed the note.

Mr. STATHIS. Did he endorse it as a comaker or as an accommodation endorser?

Senator KEFAUVER. Did he put his name on the back of it or on the front of it?

Mr. AARONSON. I tell you the truth, I wouldn't know. All I know is he endorsed the note; stood good for me, I guess it means that. I wouldn't know about the front or the back, sir.

Mr. STATHIS. Well, what did Mr. Sapperstein get in return for endorsing the note?

Mr. AARONSON. Nothing at all, sir.

Mr. STATHIS. You gave him no security whatsoever for a loan?

Mr. AARONSON. Well, he has that note on the place. In the event I don't pay the bank or anything would happen, the Union Trust Co. could very easily foreclose on me, sir.

Mr. STATHIS. But what recourse did he have against you—did you say foreclose against you?

Mr. AARONSON. No. I said the bank could foreclose on me and get the money and pay the note off on me.

Mr. STATHIS. But what security did you give Mr. Sapperstein? He was comaker of the note. Did you give him any security? He lent you the money.

Mr. AARONSON. Well, he has a chattel mortgage on it.

Mr. STATHIS. He has a chattel mortgage on the property?

Mr. AARONSON. Yes, sir. On what, sir?

Mr. STATHIS. He has a chattel mortgage on what, the Blue Mirror?

Mr. AARONSON. On the Blue Mirror?

Mr. STATHIS. On the fixtures of the Blue Mirror?

Mr. AARONSON. The Blue Mirror, the cocktail lounge, what it took in, everything there.

Mr. STATHIS. How much of the loan has been repaid?

Mr. AARONSON. Will you phrase that question again, sir?

Mr. STATHIS. How much of the loan has been repaid? How much of the sum of \$23,700 has been repaid?

Mr. AARONSON. Well, I haven't been able to pay part of the loan back while I was—up to the present.

Mr. STATHIS. You have not repaid any part of the loan?

Mr. AARONSON. No. I was just struggling trying to make ends meet and build it up. I wasn't able to pay any back. Just the interest I paid to the bank so far.

Mr. STATHIS. What are your gross receipts weekly from the business?

(Discussion off the record between Mr. Aaronson and Mr. Harrington.)

Senator KEFAUVER. Let us get on. Give us the best estimate you can, how much you take in every week.

Mr. AARONSON. It averages about eight thousand a month gross. That is gross, sir.

Senator KEFAUVER. Eight thousand a month?

Mr. AARONSON. Yes, sir.

Mr. STATHIS. A month or a week?

Mr. AARONSON. I said a month, sir.

Mr. STATHIS. Eight thousand dollars a month?

Mr. AARONSON. Yes, sir.

Mr. STATHIS. You have been running the business for a year and a half?

Mr. AARONSON. Yes, sir.

Mr. STATHIS. And you have not been able to pay back—

Mr. AARONSON. It is not exactly a year and a half.

Mr. STATHIS. Well, approximately?

Mr. AARONSON. Well, I was closed about a month in February trying to fix the place up a little bit.

Mr. STATHIS. But you grossed \$8,000 a month and yet you haven't been able to pay back \$1 on a loan of \$23,700?

Mr. AARONSON. Well, I could answer that.

Mr. STATHIS. Isn't it a fact, Mr. Aaronson, that you are only the nominal owner of the business and Mr. Sapperstein is the real party in interest?

Mr. AARONSON. No, sir; he is not. I am. I am doing all the work, responsibility. Everything is on me, sir. I am the sole owner of that business absolutely.

Mr. STATHIS. You admit that you are in debt to him in the sum of \$23,700?

Mr. O'SULLIVAN. He did not.

Mr. AARONSON. I did not.

Mr. O'SULLIVAN. Mr. Chairman, I must respectfully submit that counsel not put words in the witness' mouth.

Senator KEFAUVER. All right, Mr. O'Sullivan.

Mr. STATHIS. Has the Baltimore bank that lent you the money ever asked you for any payments?

Mr. AARONSON. What bank?

Mr. STATHIS. The Baltimore bank which lent you the money.

Mr. AARONSON. You mean the Union Trust Co.?

Mr. STATHIS. The Union Trust Co., yes. Have they pressed you?

Mr. AARONSON. They have not bothered me for the payment for the simple reason I have been paying my interest and, well, that is about all. They haven't bothered me for it.

Mr. STATHIS. Do they have a chattel mortgage on the property, too? How is their loan secured?

Mr. AARONSON. Well, they have, as I told you before, Mr. Sapperstein was endorser of the note, and they have whatever security he put up to back it up.

Mr. STATHIS. But they have no chattel mortgage on the property whatsoever.

Mr. AARONSON. Well, I don't have anything to do with the property, just the business. The property belongs to someone else.

Mr. STATHIS. The property belongs to somebody else?

Mr. AARONSON. The property, the buildings.

Mr. STATHIS. I mean the fixtures and the business. Does the bank have a chattel mortgage on that?

Mr. AARONSON. Mr. Sapperstein has a chattel mortgage. The bank has whatever security Mr. Sapperstein endorsed for me.

Mr. STATHIS. How many telephones do you have in the Blue Mirror?

Mr. AARONSON. We have a public telephone, that is one, on the left-hand side of the bar going in, and I have some phone extensions—what do you mean, sir? Exactly what do you mean?

Mr. STATHIS. I asked you for the number of phones you have. Give me the number of phones you have.

Mr. AARONSON. I have the phone booth and two telephones there, one line.

Mr. STATHIS. What is the number? I want the number of the phone. The telephone number.

Mr. AARONSON. Mulberry 0711.

Mr. STATHIS. Now, is that the public phone?

Mr. AARONSON. You asked me for the phone numbers; didn't you?

Mr. STATHIS. Yes. Which one does this represent?

Mr. AARONSON. That is one of the phones that we use, the Blue Mirror phone, Mulberry 0711, the office phone.

Mr. STATHIS. That is the office phone?

Mr. AARONSON. Yes, sir; and there is a Mulberry 7347 listing.

Mr. STATHIS. That is the public phone?

Mr. AARONSON. No, sir.

Mr. STATHIS. What is that? Is that an office phone also?

Mr. AARONSON. That is an office phone.

Mr. STATHIS. You have two office phones?

Mr. AARONSON. Both on one telephone, on one instrument, I mean. In other words, if someone calls you hold them and we can still make a call out. The help sometimes use it and we go to the other phone. The pay phone is Plaza 9626.

Mr. STATHIS. Do you rent just the store premises or do you rent the whole building?

Mr. AARONSON. What is that again? Do I rent the what?

Mr. STATHIS. Do you rent the store premises alone or do you rent the whole building?

Mr. AARONSON. Just the downstairs premises that I have.

Mr. STATHIS. Who rents the upstairs floors?

Mr. AARONSON. They have apartments up there, I don't know the people. I think there is, I guess, about 9 or 10 apartments up there, I think. I have never been upstairs.

Mr. STATHIS. Who pays the bills for the phone, Mulberry 7347?

Mr. AARONSON. Who pays the bills?

Mr. STATHIS. Yes.

Mr. AARONSON. I do.

Mr. STATHIS. You pay the bills?

Mr. AARONSON. Yes.

Mr. STATHIS. Or does the company? Do you sign—

Mr. AARONSON. There isn't any company.

Mr. STATHIS. You sign the checks with your own name?

Mr. AARONSON. That is right.

Mr. STATHIS. Do you know an individual named Johnny Brown?

Mr. AARONSON. Pardon me?

Mr. STATHIS. Johnny Brown?

Mr. AARONSON. Johnny Brown?

Mr. STATHIS. Yes.

Mr. AARONSON. I certainly do. He is an agent who books my shows.

Mr. STATHIS. And where is Johnny Brown located?

Mr. AARONSON. In New York City.

Mr. STATHIS. Do you know whether or not Mr. Sapperstein ever made any telephone calls from that phone, Mulberry 7347?

Mr. AARONSON. Well, I guess he did. Come in the place like anyone else, frequents the place. Lots of people use my phone. I let them use the phone as a courtesy of the place like buying a drink of whisky. If the phone booth is taken, I extend them the courtesy of making the call. It is in front of the checkroom.

Mr. STATHIS. If there is a public phone in the place, wouldn't it be just as convenient for them to use the phone in the public booth?

Mr. AARONSON. I just told you that when the phone is busy sometimes, which it is, it is a very busy telephone, that pay phone, people always trying to get in there, fellows and girls and all, and people I know I extend them the courtesy of using the other phone.

Mr. STATHIS. Do you know whether or not Mr. Sapperstein ever made any calls to Miami from that phone?

Mr. AARONSON. I don't know.

Mr. STATHIS. Do you know whether or not any parties ever called Mr. Sapperstein from Miami?

Mr. AARONSON. Anybody what?

Mr. STATHIS. If any parties from Miami ever telephoned Mr. Sapperstein at that number.

Mr. AARONSON. Not to my knowledge, I don't know. A call might come in, somebody say, "Pick up the phone, Joe, Harry," whoever is there.

Mr. STATHIS. The records of the telephone company show from April 24 to May 21, 1951, Mr. Sapperstein accepted eight collect calls from Miami at that number.

Mr. AARONSON. Phrase that again, sir.

Mr. STATHIS. Let me rephrase the question. The records of the telephone company show that from April 24 to May 21, 1951, an individual named Kid Wendell—

Mr. AARONSON. Who?

Mr. STATHIS. Kid Wendell—W-e-n-d-e-l-l—that is Mr. Sapperstein's alias.

Mr. AARONSON. I don't know anything about any alias.

Senator KEFAUVER. Let's not get into the alias until we show that there is an alias.

Mr. STATHIS. Have you ever known Mr. Sapperstein to be called by that name?

Mr. AARONSON. Not to my knowledge.

Mr. STATHIS. You have known him 16 or 17 years, you so testified.

Mr. AARONSON. That is right.

Mr. STATHIS. Did you ever know whether or not he was a boxer, a prize fighter?

Mr. AARONSON. Well, he is much older than I am.

Senator KEFAUVER. I can't hear you.

Mr. AARONSON. He is much older than I am. I think that is before my time, before I knew him. He is 50 years old now. I am only 39.

Mr. STATHIS. Have you ever heard whether or not he was a boxer?

Mr. AARONSON. Maybe somebody made a remark to that effect. I didn't pay too much attention.

Mr. STATHIS. I didn't hear you.

Mr. AARONSON. I don't remember exactly because I haven't paid too much attention. I think I saw it in the paper.

Mr. STATHIS. You have seen it in the paper?

Mr. AARONSON. Once, yes.

Mr. STATHIS. Do you recall the name under which he fought?

Mr. AARONSON. No.

Mr. STATHIS. You don't recall. Well, could it have been Kid Wendell? Could this possibly have been the name?

Mr. AARONSON. I don't know. It could have been any name.

Mr. STATHIS. But that name isn't familiar to you?

Mr. AARONSON. Not very familiar to me; no.

Mr. STATHIS. You knew Mr. Sapperstein well enough to get him to lend you \$23,700?

Mr. AARONSON. Yes.

Mr. STATHIS. And you never knew whether or not he was a boxer; is that correct?

Senator KEFAUVER. Did you or not, Mr. Aaronson?

Mr. AARONSON. No; I didn't. I didn't know Sapperstein that long ago, didn't know how long he was fighting. It must have been before my time.

Mr. STATHIS. Did you ever work for Mr. Sapperstein?

Mr. AARONSON. No, sir.

Mr. STATHIS. Did you ever operate an adding machine? Can you operate an adding machine?

Mr. AARONSON. Can I operate an adding machine?

Mr. STATHIS. Do you know how to operate an adding machine?

Mr. AARONSON. Just enough to do my little work around the office, maybe just to find a key or so, very, very little.

Mr. STATHIS. Do you know whether or not Mr. Sapperstein was in the numbers business in 1935?

Mr. AARONSON. Don't know anything about his business.

Mr. STATHIS. Do you know whether or not he was associated with Mr. Benny Ginsberg at that time?

Mr. AARONSON. Don't know anything about it.

Mr. STATHIS. Do you know Mr. Benny Ginsberg?

Mr. AARONSON. I don't recall the name.

Mr. STATHIS. You don't recall the name?

Mr. AARONSON. No, sir.

Mr. STATHIS. Have you ever heard the name?

Mr. AARONSON. I have heard of a lot of Ginsbergs. I don't know if it is the one or not.

Mr. STATHIS. Have you ever heard of Benny Ginsberg? You are being very uncooperative, Mr. Aaronson.

Mr. AARONSON. Pardon me?

Mr. STATHIS. You are being very uncooperative.

Mr. AARONSON. I don't think so.

Mr. STATHIS. You ought to know whether or not you have ever heard of Benny Ginsberg.

Mr. AARONSON. I have answered every question you have asked me, sir.

Mr. STATHIS. Do you know whether or not in 1935 Mr. Benny Ginsberg and Mr. Ike Sapperstein were running a numbers headquarters on the first floor rear of a building on the corner of Lafayette Avenue and Fulton Avenue in Baltimore?

Mr. AARONSON. Don't know anything about it.

Mr. STATHIS. You don't know anything about it?

Mr. AARONSON. No, sir.

Mr. STATHIS. Do you recall ever having worked for them as an operator of adding machines at that numbers headquarters?

Mr. AARONSON. I answered that before; I never worked for them.

Mr. STATHIS. Have you ever been convicted of a crime, Mr. Aaronson?

Mr. AARONSON. No, sir.

Mr. STATHIS. Have you ever been indicted for a crime?

Mr. AARONSON. Pardon me? Ever been indicted?

Mr. STATHIS. Yes. Have you ever been arrested?

Mr. AARONSON. I think years ago for disorderly conduct, some small thing. I don't remember what it was for, so long ago. Long time ago.

Senator KEFAUVER. It has been a long time ago. Pass on.

Mr. STATHIS. How many times were you arrested?

Mr. AARONSON. That is the only time.

Mr. STATHIS. The only time. When did you stop working for George Goldberg?

Mr. HARRINGTON. He didn't say he worked for George Goldberg. I think that is an unfair statement, an unfair question.

Senator KEFAUVER. Let the question be: Did he work for George Goldberg?

Mr. STATHIS. Did you ever work for George Goldberg?

Senator KEFAUVER. Did you say you did not work for him?

Mr. AARONSON. I did not.

Mr. STATHIS. Isn't it true that prior to the time you were inducted into the Army Mr. George Goldberg was running a numbers operation in Baltimore and you worked for him at that time?

Mr. AARONSON. Don't know anything about it.

Mr. STATHIS. Well, if somebody testified to that effect, would he be telling the truth?

Senator KEFAUVER. He said he didn't know anything about it.

Mr. STATHIS. When were you discharged from the Army, Mr. Aaronson?

Mr. AARONSON. I think it was November 1945.

Mr. STATHIS. You were discharged November—I beg your pardon?

Mr. AARONSON. Sir?

Mr. STATHIS. Will you repeat that, please?

Mr. AARONSON. I think it was November 1945. The exact date I don't know.

Mr. STATHIS. Some time in November 1945. At the time that you were discharged didn't Mr. Goldberg give you \$5,000?

Mr. AARONSON. Goldberg never gave me anything at all.

Senator KEFAUVER. What is your answer, Mr. Aaronson?

Mr. AARONSON. Didn't give me any money at all.

Mr. STATHIS. Do you know Mr. Goldberg?

Mr. AARONSON. Seen him around.

Mr. STATHIS. How often?

Mr. AARONSON. Haven't seen him for a long time.

Mr. STATHIS. Does he ever come to the Blue Mirror?

Mr. AARONSON. He hasn't been to the Blue Mirror.

Mr. STATHIS. Speak louder.

Mr. AARONSON. To my knowledge I don't think he has ever been there, unless he was there while I wasn't on duty.

Mr. STATIS. Have you ever seen him in the Blue Mirror?

Mr. AARONSON. No.

Mr. STATIS. Would you know him if you saw him?

Mr. AARONSON. I know him by sight, have seen him.

Mr. STATIS. Isn't it true that upon your discharge from the Army in November of 1945, or shortly thereafter, you had an argument with Mr. Goldberg?

Mr. AARONSON. I don't know anything about that.

Mr. STATIS. You don't know anything about it?

Mr. AARONSON. That is right.

Mr. STATIS. You don't recall that at all?

Mr. AARONSON. No, sir.

Mr. STATIS. Have you ever taken bets on horses?

Mr. AARONSON. I refuse to answer that question, sir.

Mr. STATIS. I beg your pardon?

Mr. AARONSON. I refuse to answer that question on the grounds it might tend to incriminate me.

Mr. STATIS. Would it tend to incriminate you of a Federal or State offense?

Mr. AARONSON. Federal.

Mr. STATIS. What Federal offense?

Mr. AARONSON. I refuse to answer that question, sir, on the same grounds, it may tend to incriminate me.

Mr. STATIS. You refuse to answer whether or not it will incriminate you of a State or Federal offense? I want to get that clear, Mr. Aaronson.

Mr. AARONSON. I answered that before, sir. Is that the same question you asked?

Mr. STATIS. Do you refuse to answer whether or not it would incriminate you of a State or Federal offense? That is the point I want to clarify.

Mr. AARONSON. Federal.

Mr. STATIS. What Federal offense?

Mr. AARONSON. I refuse to answer that on the same grounds.

Mr. STATIS. Well, is it just a mere fanciful claim of privilege that you are asserting, or do you feel you are in real danger of incriminating yourself?

Mr. AARONSON. I refuse to answer that question.

Mr. STATIS. On what grounds?

Mr. AARONSON. Same ground, sir.

Mr. STATIS. What grounds?

Mr. AARONSON. It may tend to incriminate me, sir.

Mr. STATIS. Under a State or Federal offense?

Mr. AARONSON. I have just answered that before, sir.

Mr. STATIS. You have answered it before for previous questions. I want you to answer for this specific question.

Senator KEFAUVER. He said it would tend to incriminate him under a Federal offense.

Mr. STATIS. Did you ever do business with Mike Barshak?

Mr. AARONSON. I refuse to answer the question, sir, on the grounds that it may tend to incriminate me.

Mr. STATIS. Incriminate you of a Federal or State offense?

Mr. AARONSON. On the same grounds, sir.

Mr. STATHIS. Well, are you in real danger of incriminating yourself or is this a mere fanciful claim of privilege?

Mr. AARONSON. I refuse to answer that.

Mr. STATHIS. On what grounds?

Mr. AARONSON. On the same grounds.

Mr. STATHIS. Do you know Mike Barshak?

Mr. AARONSON. I refuse to answer that.

Mr. STATHIS. On what grounds?

Mr. AARONSON. Same grounds, sir.

Senator KEFAUVER. Mr. Aaronson, I will have to direct you to answer whether you know the man or not.

Mr. AARONSON. I know him.

Mr. STATHIS. Now you know Mike Barshak. How well do you know him?

Mr. AARONSON. I refuse to answer the question, sir, on the same grounds.

Mr. STATHIS. Well, I would like to ask the Chair to direct him to answer that question.

Senator KEFAUVER. Ask a different question.

Mr. STATHIS. Do you know whether or not Mr. Barshak ever took bets on horses?

Senator KEFAUVER. Mr. Aaronson, did you do business with Mr. Barshak and do you want to answer that question or not?

Mr. AARONSON. I refuse to answer that, sir, on the grounds that it may tend to incriminate me.

Senator KEFAUVER. Of a Federal offense?

Mr. AARONSON. Yes, sir.

Mr. STATHIS. Have you ever lived at the Hotel Emerson?

Mr. AARONSON. I refuse to answer that. I decline to answer that, sir, on the same grounds.

Senator KEFAUVER. I will have to direct you to answer the question. Living at the Hotel Emerson, I can't see that it would tend to incriminate you. It is a very respectable hotel.

Mr. AARONSON. I decline to answer.

Mr. STATHIS. On what grounds, sir?

Mr. AARONSON. Same grounds, sir.

Mr. STATHIS. Do you know whether Mike Barshak ever lived at the Hotel Emerson?

Mr. AARONSON. I decline to answer that, sir.

Mr. STATHIS. On what grounds?

Mr. AARONSON. Same grounds.

Mr. STATHIS. That it would incriminate you of a Federal offense?

Mr. AARONSON. Tend to incriminate me, sir.

Mr. STATHIS. Have you ever seen Mr. Barshak in or around the lobby of the Hotel Emerson?

Mr. AARONSON. I decline to answer the question, sir.

Mr. STATHIS. On what grounds?

Mr. AARONSON. Same grounds.

Mr. STATHIS. Have you ever roomed with Mr. Barshak?

Senator KEFAUVER. Mr. Stathis, what are you trying to get at by these questions? Maybe we can judge better. Off the record.

(Discussion off the record.)

Senator KEFAUVER. Ask him another question.

Mr. STATHIS. Have you ever operated any cigarette-vending machines?

Mr. AARONSON. Phrase the question again.

Mr. STATHIS. Have you ever operated any cigarette-vending machines?

Mr. AARONSON. Yes, I have.

Mr. STATHIS. How many?

Mr. AARONSON. I don't remember at this time. It has been a long time ago.

Mr. STATHIS. How long ago?

Mr. AARONSON. About early 1946, I think it was.

Mr. STATHIS. That was after you were discharged from the Army?

Mr. AARONSON. Yes, sir.

Mr. STATHIS. Well, was it 1 machine or 100 machines?

Mr. AARONSON. It was more than a hundred.

Mr. STATHIS. It was more than a hundred?

Mr. AARONSON. Yes, sir.

Mr. STATHIS. Was it more than 200?

Mr. AARONSON. I think around that. I am not sure. I wouldn't say positively because we were always putting them out and taking them back in again. A lot of them are always broken on the floor. It would be hard to say.

Mr. STATHIS. You operated approximately 200 cigarette-vending machines?

Mr. AARONSON. I don't remember the exact amount, sir.

Mr. STATHIS. I am not asking for the exact amount. I want an approximate amount.

Senator KEFAUVER. He said approximately 200.

Mr. AARONSON. Around there, to the best of my knowledge. I told you, sir.

Mr. STATHIS. Did you operate those machines alone or in association with someone else?

Mr. AARONSON. I decline to answer that question, sir.

Mr. STATHIS. On what grounds?

Mr. AARONSON. On the grounds that it might tend to incriminate me?

Mr. STATHIS. Of a Federal or State offense?

Mr. AARONSON. On the same grounds I mentioned before.

Senator KEFAUVER. Mr. Aaronson, let me ask a question. What was the name of the company that you had the machines in?

Mr. AARONSON. Uneeda Cigarette Service.

Senator KEFAUVER. Uneeda Cigarette Service. Were you employed by the company?

Mr. AARONSON. Pardon me?

Senator KEFAUVER. Were you a partner or stockholder in the company?

Mr. AARONSON. I was a stockholder in the company.

Senator KEFAUVER. What position did you hold in the company?

Mr. AARONSON. I was president of it.

Senator KEFAUVER. It is legal to operate cigarette-vending machines, isn't it, in the State of Maryland?

Mr. AARONSON. Yes.

Senator KEFAUVER. Then Mr. Stathis' question was: Who was associated in the company with you? Can you answer that question?

Mr. AARONSON. I decline to answer that.

Senator KEFAUVER. I will order you to answer the question.

Mr. AARONSON. I decline, sir, on the same grounds.

Senator KEFAUVER. All right.

Mr. STATHIS. Have you ever operated any slot machines in the State of Maryland?

Mr. AARONSON. I decline to answer that, sir.

Mr. STATHIS. On what grounds?

Mr. AARONSON. On the same grounds, sir.

Mr. STATHIS. I would like to ask the Chair to direct him to answer that question.

Senator KEFAUVER. I direct him to answer that.

Mr. AARONSON. I respectfully decline.

Mr. STATHIS. On what grounds?

Mr. AARONSON. On the same grounds, sir.

Mr. STATHIS. Do you know an individual named Harry Rose?

Mr. AARONSON. What name?

Mr. STATHIS. Harry Rose.

Mr. AARONSON. Not offhand, sir, I don't.

Mr. STATHIS. Sir?

Mr. AARONSON. Not offhand, I don't.

Mr. STATHIS. Is the phone number Plaza 2653 familiar to you in any way?

Mr. AARONSON. I can't remember right now, sir.

Mr. STATHIS. Sir?

Mr. AARONSON. I don't remember right now.

Mr. STATHIS. You don't recall the number?

Mr. AARONSON. No, sir; I don't.

Mr. RICE. It is a telephone listed to Harry Rose, who has a place on the third floor at 929 North Charles. That is where the Blue Mirror is, isn't it?

Mr. AARONSON. 929 is the Blue Mirror; yes, sir.

Mr. RICE. You don't know him?

Mr. AARONSON. The name doesn't strike me.

Mr. RICE. Do you know who has the third-floor apartment there?

Mr. AARONSON. No, sir. I have never been upstairs.

Mr. RICE. Just let me see if I am correct. I wasn't paying too close attention when you were talking about the telephone set-up. Did you say that the Blue Mirror had a telephone in the office that was Mulberry 7347?

Mr. AARONSON. I will say it is two lines, sir, on one instrument. In other words, if anybody wants to make a call downstairs, they still could have made the call and I could still talk on the other if I have a call.

Mr. RICE. One of them is Mulberry and another number is——

Mr. AARONSON. Both Mulberry.

Mr. RICE. One is Mulberry 7347?

Mr. AARONSON. That is right.

Mr. RICE. When the bill comes at the end of the month, you pay the bill for that?

Mr. AARONSON. Pay the bill for all phones.

Mr. RICE. And you do most of the talking?

Mr. AARONSON. Not all the time.

Mr. RICE. You do most of it, don't you?

Mr. AARONSON. A good bit of it.

Mr. RICE. But the charges that are made for long-distance calls, you are pretty well familiar with those, aren't you?

Mr. AARONSON. I pay for it. I wouldn't say I am too familiar with them. As I mentioned earlier, employees use a lot of them, and I don't deny them making calls, or some outsider wants to make a call, I don't bother too much.

Mr. RICE. On the number that is in the office there, here are some calls coming in collect from Miami. On April 24 a party by the name of Wendell called from Miami 86922 collect, 1:46 a. m. The next day Wendell called again from another Miami number collect at 12:12 a. m. Two days later he called again at 11:49 p. m. Wendell called again 2 days later collect. Then he called May first twice collect from Miami and again on May 6 and May 9. All of these are 1951.

Who was this Wendell calling up collect?

Mr. AARONSON. That is in the record, sir.

Mr. RICE. I didn't hear it.

Mr. AARONSON. I think that is in the record.

Mr. RICE. What record?

Mr. AARONSON. The testimony.

Mr. RICE. Who is Wendell that is calling up collect? Who is he?

Senator KEFAUVER. Mr. Aaronson, if you know who Wendell is, tell us.

Mr. AARONSON. I don't recall it, sir.

Mr. RICE. Here are about eight calls inside of a week period, all collect from Miami, you paying the bill.

Mr. AARONSON. As I said before, I pay all the telephone bills. They don't ever run that high, and with me it is a courtesy same as buying a man a drink of whisky.

Mr. RICE. You pay collect telephone calls from Miami the same as you would buy a drink of whisky?

Mr. AARONSON. I think I have paid collect calls at various places in my time since I have been there.

Mr. RICE. These are right substantial calls, running up to a considerable amount of money.

Mr. AARONSON. Well—

Mr. RICE. Do you want us to believe you don't know who Wendell is that called up?

Mr. AARONSON. What is that, sir?

Mr. RICE. Do you want this committee to believe you don't know who this Wendell is who is calling up from Miami?

Mr. AARONSON. Well, those particular calls I don't know.

Mr. RICE. Do you know who Wendell is?

Mr. AARONSON. Will you phrase that again?

Mr. RICE. Who is Wendell?

Mr. AARONSON. Sir, you mentioned Miami calls there collect.

Mr. RICE. Yes.

Mr. AARONSON. I received some calls from Mr. Sapperstein. I don't know if I got them as Mr. Wendell or not. A man would have to give me his name if I accept the call.

Mr. RICE. Mr. Sapperstein was down there about that time.

Mr. AARONSON. Yes, sir.

Mr. RICE. And he was calling up from Florida and telling the operator, "This is Wendell calling," which is the name he used to fight under.

Mr. AARONSON. I don't know.

Mr. RICE. You don't give the name to the operator.

Mr. AARONSON. When I say, "Who is calling," I say sometimes the party isn't here, because it could be some crank on the phone trying to get somebody else.

Mr. RICE. Sometimes the operator says, "It is Wendell calling," and you say, "I will accept the charges."

Mr. AARONSON. I don't remember. If it is Mr. Sapperstein, I would probably accept it.

Mr. RICE. You would accept it?

Mr. AARONSON. Being close to him, I certainly would.

Mr. RICE. Let's see. The operator would say, "Is this Mulberry 7347?" And you will say, "Yes." "I have a collect call from Miami. Mr. Wendell is calling. Will you accept the charges?" What would you say?

Mr. AARONSON. Mr. Wendell—I might make myself clear if I say, "Mr. Wendell, who is it?" That is his name. I don't know. I know Mr. Sapperstein. If he was in Miami, I would say, "Put him on." Find out it was Sapperstein calling from Miami. But, as I said before, I don't remember the name Wendell. I don't remember it.

Mr. RICE. You want to say you never accepted any calls from Wendell? Do you connect the name Wendell with Sapperstein?

Mr. AARONSON. I accepted calls from Mr. Sapperstein.

Mr. RICE. Do you connect the name with Sapperstein?

Mr. AARONSON. What is that?

Mr. RICE. Is that Wendell someone different from Sapperstein or do you think these are Sapperstein's calls?

Mr. AARONSON. I have accepted them from Mr. Sapperstein.

Mr. RICE. From Miami?

Mr. AARONSON. From Miami; yes, sir.

Mr. RICE. I think that is simple enough.

Mr. AARONSON. That is what I said; Mr. Sapperstein.

Mr. RICE. But the ticket shows he called under the name of Wendell.

Mr. AARONSON. Wendell?

Mr. RICE. Wendell—W-e-n-d-e-l-l.

Mr. AARONSON. I don't know. He might have said Wendell—Wendell Sapperstein. Sometimes operators do funny things.

Mr. RICE. When he was calling up from Miami late at night, what were those conversations about?

Mr. AARONSON. Well, I will tell you. As I said before, I am very, very close to Mr. Sapperstein—the family also.

Mr. RICE. If you are that close, you would know he used to fight under the name Kid Wendell.

Mr. AARONSON. I wouldn't say that.

Mr. RICE. Not that close?

Mr. AARONSON. It happens I am very, very fond of Mr. Sapperstein's mother and dad—been around them for a long time. They are two very, very ill people. I think at that particular time his mother or dad—they have both been sick so much the past year or so, and anything that I could do for him or run up there, I did, and any little spare time I had and tried to take care of them the best that I could,

because I knew one of them was in the hospital about that time, I think. They are in and out all the time. That is about all I remember.

Mr. RICE. You were paying those telephone calls then, charging those as business expense; weren't you?

Mr. AARONSON. Pardon me?

Mr. RICE. You were paying for those telephone calls and charging them as business expense on your books; weren't you?

Mr. AARONSON. Well, yes, I did.

Mr. RICE. I think it is very commendable.

Senator KEFAUVER. Let's get on.

Mr. STATHIS. Have you ever been in the numbers business, Mr. Aaronson?

Mr. AARONSON. I refuse to answer that question on the same grounds, sir.

Mr. STATHIS. What grounds?

Mr. AARONSON. It may tend to incriminate me.

Mr. STATHIS. Of a State or Federal offense?

Mr. AARONSON. Same grounds as before.

Mr. STATHIS. Do you know Willie Adams?

Mr. AARONSON. I decline to answer that question, sir.

Senator KEFAUVER. I order you to answer that question.

Mr. AARONSON. I decline, sir, on the same grounds.

Mr. STATHIS. What grounds?

Mr. AARONSON. Same grounds as before, sir.

Mr. STATHIS. That it will incriminate you of a State or Federal offense?

Mr. AARONSON. I decline to answer on the same grounds as I stated before, sir.

Mr. STATHIS. I am asking you to specify your grounds.

Mr. AARONSON. Federal offense.

Mr. STATHIS. Have you ever heard of Mr. Adams?

Mr. AARONSON. I decline to answer that question, sir, on the same grounds.

Mr. STATHIS. You decline to answer whether you have ever heard of Mr. Adams?

Mr. AARONSON. Pardon me?

Mr. STATHIS. You have never heard of the name Willie Adams?

Mr. AARONSON. Only what I read in the papers.

Mr. STATHIS. You have heard of him; is that it?

Mr. AARONSON. Yes.

Mr. STATHIS. Has he ever been around your club?

Mr. AARONSON. No, sir.

Mr. STATHIS. Would you know him if you saw him?

Mr. AARONSON. I think so. I saw his picture in the paper.

Mr. STATHIS. Have you ever done business with him?

Mr. AARONSON. I decline to answer the question, sir, on the grounds it might tend to incriminate me.

Senator KEFAUVER. I will order you to answer that question, Mr. Aaronson.

Mr. AARONSON. I respectfully decline, sir.

Senator KEFAUVER. I think we will get along better if you could tell what business it is you are talking about. Counsel, what business is it you contend he did with Mr. Adams?

Off the record.

(There was discussion off the record.)

Senator KEFAUVER. You do know Mr. Adams, but you refuse to say whether you have been in business with him: is that the idea?

Mr. AARONSON. I wasn't in any business with Mr. Adams.

Senator KEFAUVER. Never in business with Mr. Adams? Why did you refuse to say whether you were or not?

Mr. AARONSON. I must have misinterpreted the question; didn't hear it.

Senator KEFAUVER. I am afraid you are not being very frank with the committee.

Mr. AARONSON. I mean to be frank.

Senator KEFAUVER. You started off being frank, but you slowed down considerably. What business are you in now besides the Blue Mirror, Mr. Aaronson?

I want to give you all the time you want for conference, but can you answer and tell what other business you are in?

Mr. AARONSON. Can you pass that question over for a moment, sir?

Senator KEFAUVER. What other businesses are you in besides the Blue Mirror?

Mr. AARONSON. I asked you, would you do me a favor and pass that question aside for a few moments, please?

Senator KEFAUVER. All right. Do you have any other question, Mr. Stathis?

Mr. STATHIS. How often does Mr. Sapperstein come into the Blue Mirror?

Mr. AARONSON. Several times a week.

Mr. STATHIS. Two, three or four?

Mr. AARONSON. Several times, I don't know about how many—two or three.

Mr. STATHIS. Well, have you ever seen Mr. Sapperstein conduct business in the Blue Mirror?

Mr. AARONSON. No, sir.

Mr. STATHIS. Isn't it true that he takes bets in the Blue Mirror?

Mr. AARONSON. No, sir.

Mr. STATHIS. You have never seen him take a bet in the Blue Mirror?

Mr. AARONSON. No, sir.

Mr. STATHIS. Have you heard that he takes bets?

Mr. AARONSON. I decline to answer that, sir.

Mr. O'SULLIVAN. May I interrupt, Mr. Chairman?

Senator KEFAUVER. I won't direct him to answer that. Anything else?

Mr. STATHIS. Do you know Big Boy Bennett?

Mr. AARONSON. Who?

Mr. STATHIS. Big Boy Bennett?

Mr. AARONSON. No, sir.

Mr. STATHIS. Have you ever heard of Big Boy Bennett?

Mr. AARONSON. The name doesn't strike me, sir.

Mr. STATHIS. You don't recall the name?

Mr. AARONSON. No; I don't.

Mr. STATHIS. Do you know Robert "Fifi" London?

Mr. AARONSON. Know him if I see him.

Mr. STATHIS. You would know him if you saw him?

Mr. AARONSON. Yes.

Mr. STATHIS. Is he a friend of yours?

Mr. AARONSON. Just know him casually.

Mr. STATHIS. Casually?

Mr. AARONSON. That is right.

Mr. STATHIS. Have you ever done business with Robert "Fifi" London?

Mr. AARONSON. I decline to answer that, sir.

Mr. STATHIS. On what grounds?

Mr. AARONSON. It may tend to incriminate me.

Mr. STATHIS. I would like to ask the Chair to direct him to answer that question.

Senator KEFAUVER. I direct you to answer the question whether you have ever done business with him.

Mr. AARONSON. I respectfully decline.

Mr. STATHIS. On what grounds?

Mr. AARONSON. Same grounds.

Mr. STATHIS. Do you know whether or not Mr. Sapperstein lays off bets with Robert "Fifi" London?

Mr. AARONSON. I don't know anything about that.

Senator KEFAUVER. Have you conferred with your counsel as to whether you want to tell us what businesses you are in besides the Blue Mirror at the present time?

Very well, the committee will have a 5-minute recess.

(There was a short recess.)

Senator KEFAUVER. The committee will come to order. The question you have been conferring with your counsel about, Mr. Aaronson, is as to what other businesses you have at the present time besides the Blue Mirror, if any.

Mr. AARONSON. Senator Kefauver, I don't mean to be disrespectful, but I will have to decline to answer that question on the same grounds, sir.

Senator KEFAUVER. What legal businesses do you have besides the Blue Mirror, if any? Legal businesses?

Mr. AARONSON. I decline to answer that, sir.

Senator KEFAUVER. The Chair orders you to answer that question.

Mr. AARONSON. I decline.

Senator KEFAUVER. Any other questions? That is all, Mr. Aaronson. Next is Mr. Aversa.

Mr. Aversa, do you solemnly swear the testimony you will give the committee will be the whole truth, so help you God?

Mr. AVERSA. Yes.

TESTIMONY OF THOMAS J. AVERSA, BALTIMORE, MD., ACCOMPANIED BY BENNETT CRAIN, ATTORNEY, BALTIMORE, MD.

Senator KEFAUVER. Mr. Aversa, you are accompanied by counsel?

Mr. CRAIN. Bennett Crain—C-r-a-i-n.

Senator KEFAUVER. Have a seat. We are glad to have you with us, Mr. Crain.

Mr. Rice, will you ask Mr. Aversa some questions?

Mr. RICE. Mr. Aversa, you are here under subpoena?

Mr. AVERSA. No, sir.

Mr. RICE. You are not here under subpoena?

Mr. AVERSA. I received the telegram.

Mr. RICE. Yes. The subpoena was served on you previously?

Mr. AVERSA. That is right.

Mr. RICE. You appeared before the committee in executive session previously?

Mr. AVERSA. That is right.

Mr. RICE. For the record at this time, what is your address?

Mr. AVERSA. Four hundred and three Marlow Road.

Mr. RICE. In—

Mr. AVERSA. Baltimore.

Mr. RICE. What business are you in?

Mr. AVERSA. I am in the Chanticleer.

Mr. RICE. Chanticleer?

Mr. AVERSA. That is right.

Mr. RICE. What is that?

Mr. AVERSA. A night club.

Mr. RICE. A night club?

Mr. AVERSA. That is right.

Mr. RICE. Is that a corporation?

Mr. AVERSA. That is a corporation.

Mr. RICE. What is the name of the corporation?

Mr. AVERSA. The New Chanticleer, Inc.

Mr. RICE. Who are the officers of that?

Mr. AVERSA. The officers are Harry D. Miller.

Mr. RICE. Miller?

Mr. AVERSA. Goldstein and myself.

Mr. RICE. What is Goldstein's name?

Mr. AVERSA. Michael Goldstein.

Mr. RICE. Michael Goldstein?

Mr. AVERSA. That is right.

Mr. RICE. And who are the stockholders?

Mr. AVERSA. Miller and myself.

Mr. RICE. Michael Goldstein doesn't have any stock?

Mr. AVERSA. That is right.

Mr. RICE. Where is the bank account for the—you are what officer?

Mr. AVERSA. I am vice president.

Mr. RICE. You are vice president?

Mr. AVERSA. That is right.

Mr. RICE. Where is the bank account maintained?

Mr. AVERSA. I think it is Union Trust, if I am not mistaken.

Mr. RICE. In the Union Trust?

Mr. AVERSA. Union Trust or Western National.

Mr. RICE. Did you ever have an account in the Western National?

Mr. AVERSA. That could be possible.

Mr. RICE. Possible?

Mr. AVERSA. Yes, sir.

Mr. RICE. Did you ever have an account in the Western National?

Mr. AVERSA. Yes, sir.

Mr. RICE. Were you authorized to draw checks on that account?

Mr. AVERSA. Yes, sir.

Mr. RICE. Does the Chanticleer have a liquor license?

Mr. AVERSA. Yes, sir.

Mr. RICE. And who is the licensee?

Mr. AVERSA. The three names I gave you.

Mr. RICE. The three names—licensed in the corporate names?

Mr. AVERSA. Yes, sir.

Mr. RICE. In your bank account at the Western National Bank, is that still an active account or is it closed?

Mr. AVERSA. I think it is.

Mr. RICE. And you are authorized to draw checks on it?

Mr. AVERSA. Yes, sir.

Mr. RICE. Anyone else?

Mr. AVERSA. Mr. Miller and myself.

Mr. RICE. Mr. Miller and yourself?

Mr. AVERSA. That is right.

Mr. RICE. Who handles the transactions, the deposits and the withdrawals from the account normally?

Mr. AVERSA. The withdrawals we handle ourselves, but we drew by check.

Mr. RICE. You and Mr. Miller?

Mr. AVERSA. Either one of us signs.

Senator KEFAUVER. Are you and Mr. Miller joint owners of this corporation? You own half of it?

Mr. AVERSA. We own half of the stock; yes, sir.

Senator KEFAUVER. You are the manager. Is he a manager, too?

Mr. AVERSA. The other boy is manager; Mr. Goldstein is the manager.

Senator KEFAUVER. Mr. Goldstein is the manager?

Mr. AVERSA. That is right.

Senator KEFAUVER. What do you and Mr. Miller do there?

Mr. AVERSA. Mr. Miller is president and I am vice president.

Senator KEFAUVER. Do you actively participate in running the club?

Mr. AVERSA. Yes, sir.

Senator KEFAUVER. Both of you?

Mr. AVERSA. Yes, sir.

Senator KEFAUVER. All right, sir.

Mr. RICE. When the day's receipts are made up, who handles the banking transactions, the deposits?

Mr. AVERSA. The office girl.

Mr. RICE. The office girl?

Mr. AVERSA. That is right.

Mr. RICE. She runs them down to the bank?

Mr. AVERSA. The office girl or the manager.

Mr. RICE. Under whose supervision?

Mr. AVERSA. Under I or Mr. Miller's supervision.

Mr. RICE. You find out how much comes in everyday?

Mr. AVERSA. Not every day. Might be away 2 or 3 or 4 weeks.

Mr. RICE. While you are there you find out how much comes in?

Mr. AVERSA. Well, sometimes. I don't pay too much attention to it.

Mr. RICE. You can't care about it.

Mr. AVERSA. I certainly care about it, but it is all right, I have very trustworthy people working for me. At least I think so.

Mr. RICE. We have looked over your account down there at the Western National Bank, Mr. Aversa, and there are several checks

drawn on it that we are interested in. For instance, a cashier's check was drawn down there on November 21, 1949, drawn in favor of Joseph Levy, L-e-v-y, in the amount of \$4,500, endorsed on the back, Joseph Levy, and it says pay to the First National Bank of Chicago or order Edward M. Dobkin—D-o-b-k-i-n. What would that be?

Mr. AVERSA. I decline to answer that question, sir, on the grounds that it may tend to incriminate me.

Senator KEFAUVER. I will have to direct you to answer that question, if you know.

Mr. AVERSA. I decline to answer the question, sir, on the grounds it might tend to incriminate me.

Mr. RICE. Are you under indictment?

Mr. AVERSA. No, sir.

Mr. RICE. Are you under investigation?

Mr. AVERSA. No, sir, only this one here, this one that you are investigating me now for.

Mr. RICE. By this committee?

Mr. AVERSA. And I am also under investigation on Internal Revenue.

Mr. RICE. How do you know that?

Mr. AVERSA. That was much previous to this investigation of this committee.

Mr. RICE. That was much previous?

Mr. AVERSA. About 7 or 8 months ago.

Mr. RICE. Has that been concluded?

Mr. AVERSA. No, sir.

Mr. RICE. You haven't straightened that out yet?

Mr. AVERSA. No, sir.

Mr. RICE. Now when you say you decline, is that for a transaction which occurred recently, a transaction you have in mind that you fear—

Mr. AVERSA. I decline to answer the question on the grounds it might incriminate me. I am still under investigation.

Mr. RICE. Now I take it that you decline on the grounds it might incriminate you of a Federal offense.

Mr. AVERSA. I decline to answer that.

Mr. RICE. You won't say whether it is a Federal or State offense?

Mr. AVERSA. Yes, sir.

Mr. RICE. You decline to say that?

Mr. AVERSA. Yes, sir.

Mr. RICE. Do you know whether the thing that you fear prosecution from is a Federal or State offense?

Mr. AVERSA. I decline to answer that question, sir, on the grounds it may tend to incriminate me.

Mr. RICE. I will ask the Chair to direct the witness to answer that question, if he knows the thing that he fears prosecution from, whether it is a Federal or State offense.

Senator KEFAUVER. I think you ought to answer that question.

Mr. AVERSA. I decline to answer that question, sir, on the grounds it may incriminate me.

Senator KEFAUVER. You are directed to answer as to whether you are fearing a Federal prosecution, prosecution under a Federal offense or under a State offense.

Mr. AVERSA. Sir, I actually don't know which one, but I better decline to answer the question.

Senator KEFAUVER. Then you "and/or" I suppose, the way you put it?

Mr. AVERSA. Sir?

Senator KEFAUVER. You are afraid of prosecution of a Federal and/or a State offense?

Mr. AVERSA. Yes, sir.

Mr. RICE. Both?

Senator KEFAUVER. Let's pursue the matter further with other questions.

Mr. RICE. Do you know a man by the name of Joseph Levy?

Mr. AVERSA. I decline to answer that question, sir, on the grounds that it may tend to incriminate me.

Senator KEFAUVER. I order you to answer it as to whether you know the man.

Mr. AVERSA. I decline to answer the question, sir, on the grounds it may tend to incriminate me.

Mr. RICE. Do you know Edward Dobkin?

Mr. AVERSA. I decline to answer that question, sir, on the grounds it may tend to incriminate me.

Mr. RICE. If I suggest to you the records of this committee show that Dobkin is a well-known bettors' or bookies' bookie or lay-off man in Chicago, would that help you? Do you know him?

Mr. AVERSA. I decline to answer the question, sir, on the grounds it may tend to incriminate me.

Mr. RICE. Here is a check on the same transaction drawn on the Western National Bank on the Chanticleer account of February 25, 1949, drawn to the order of Joe Rosen, for \$4,000. Do you know Joe Rosen?

Mr. AVERSA. I decline to answer that question.

Mr. RICE. Do you know what this check is for?

Mr. AVERSA. I decline to answer the question on the grounds it may tend to incriminate me.

Mr. RICE. Did you have anything to do with Joe Rosen?

Mr. AVERSA. I decline to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Did you have anything to do with this check?

Mr. AVERSA. I decline to answer the question on the grounds that it may tend to incriminate me.

Senator KEFAUVER. You are directed to answer these questions, Mr. Aversa.

Mr. AVERSA. I decline to answer them, sir, on the grounds it may tend to incriminate me.

Mr. RICE. At this point, Senator, I would like to clear up a previous possible misconception. I understand Joe Rosen is the owner of Buzz Fuzz.

Senator KEFAUVER. I am glad to get the record straightened out on Buzz Fuzz. Do you know anything about Buzz Fuzz? Seriously, do you know anything about a horse named Buzz Fuzz?

Mr. AVERSA. I have heard of him.

Senator KEFAUVER. You have heard of him. That is as close as you have been to him?

Mr. RICE. I have the series of checks, and I take it from the witness' demeanor that he will refuse to answer on all of them. I will read them through quickly, and if any of them you would like to say anything about any different from the others, go ahead and say so.

One on January 21, 1949, to Harry Gordon for \$4,000.

Senator KEFAUVER. Do you want to tell us about that?

Mr. AVERSA. I decline to answer, sir.

Mr. RICE. Down in Miami, Fla.

Mr. CRAIN. Senator, would it be possible if we could have a list of the checks after he has gone through them?

Mr. RICE. We have a list. Maybe it would be better. Here is a check dated January 21, 1949, to Harry Gordon.

Senator KEFAUVER. Suppose you take the checks down there, counsel, and Mr. Rice, you read them off.

Mr. RICE. It is endorsed by Gordon, and the second endorser is Sherry Frantum, deposited Miami, Fla., \$4,000.

Senator KEFAUVER. Just a minute. Mr. Crain, have you caught up with him there?

Mr. CRAIN. No, sir.

Senator KEFAUVER. Will somebody help him get started?

All right, Mr. Rice. Read the checks off.

Mr. RICE. The next one is January 21, 1949, to Melvin Harris. Second endorser is Peter Miller Hotel in Miami, \$2,000.

The same day, January 21, 1949, H. L. Fulner, Peter Miller Hotel, Miami, \$3,000.

Ten days later on the 31st of January, Fred Brewer, deposited Seaboard Citizens National Bank, Norfolk, Va., \$1,282.

The next one is the Rosen check we mentioned just now for \$4,000.

February 25, 1949, one to Bert Block, endorsed again by Harry Sherman at the Cromwell Hotel, Miami, Fla., \$3,500.

April 18, 1949, to Ernest Good, endorsed Frank Small, \$600.

April 20, 1949, to Sophie Tucker, \$4,500. Do you know what that is?

Mr. AVERSA. That is probably from the club.

Mr. RICE. I beg your pardon.

Mr. AVERSA. That is probably her own salary. She could have went down there and got a cashier's check.

Senator KEFAUVER. Let the record show that would be for value received.

Mr. RICE. Are you eating something?

Mr. AVERSA. Yes; my throat is a little dry. Sorry, sir.

Mr. RICE. If any of these others are for entertainers or anything like that, I would appreciate your saying so.

Senator KEFAUVER. I didn't mean to be facetious about Miss Tucker. I know she earns her money. She is a very remarkable entertainer. You did have her at the Chanticleer?

Mr. AVERSA. That is right.

Mr. RICE. August 22, 1949, Joseph Grant, reendorsed Louis Rosenfeld, deposited Baltimore, \$4,000. Do you know anything about that?

Mr. AVERSA. Read that question again, Mr. Rice.

Mr. RICE. Joseph Grant, second endorser Louis Rosenfeld, deposited in Baltimore, \$4,000.

Mr. AVERSA. I decline to answer that question.

Mr. RICE. Don't know those people?

Mr. AVERSA. I decline to answer.

The CHAIRMAN. Will you allow an interruption? I do understand, following your reference to Miss Tucker, I am advised that of that amount she gave a thousand dollars of it to charity, the Red Cross, because of her charitable inclinations.

Mr. AVERSA. A very charitable woman, yes, sir.

Mr. RICE. One on November 21, 1949, to Harry Singer, deposited First National Bank, Chicago, to Dobkin's account. We talked about him before. \$4,000.

The same day, one to Joseph Levy, also deposited to Dobkin's account, First National Bank, \$4,000, \$8,500 went to Dobkins that day.

December 22, 1949, Harry Snyder, reendorsed Joseph Brown, and deposited in Miami Beach, First National Bank, to the account of Atwill & Co., \$3,000. Do you know what that was?

Mr. AVERSA. I decline to answer, sir, on the grounds it may tend to incriminate me.

Mr. RICE. December 22, 1949, to Walter Henry, second endorser J. Levy, deposited in New York, \$3,000.

December 22, 1949, to Henry J. Levy.

Mr. CRAIN. To whom was it drawn?

Mr. RICE. Walter Henry. Here is the check. Is there any explanation on that?

Mr. AVERSA. I decline to answer the question.

Senator KEFAUVER. To save time, let all these checks be filed, and you have explained what Miss Tucker's check was for. Do you want to look through and tell us whether you will say anything about any of the other checks?

Mr. RICE. January 9, 1950, to Henry Scherr, second endorser Arthur Evans, cashed at Miami, Fla., \$1,062.

February 21, 1950, to Joseph Grant, second endorser W. J. Gargis, Raleigh, N. C., \$540.

March 23, 1950, to Henry Stone, second endorser Joseph A. Leubert, New York City, \$2,000.

May 9, 1950, E. Goodman, second endorser David Zaelt, deposited Philadelphia, \$615.

July 17, 1950, Joseph Gordon, second endorser Joseph Grodecki, deposited New York, \$500.

One of the Dobkin checks was also endorsed by Grodecki.

December 11, 1950, to Joe Gordon, second endorser W. J. Gargis and Mrs. W. J. Gargis, deposited Raleigh, N. C., \$900.

Here is one to Joseph Gerber, second endorser W. J. Gargis, Raleigh, N. C., deposited \$2,745.

Who is this Gargis in North Carolina?

Mr. AVERSA. I decline to answer.

Mr. RICE. Do you know him?

Mr. AVERSA. I decline to answer on the grounds that it may tend to incriminate me.

Mr. RICE. On the same date a check to Leroy Wylie, second endorser H. Brody, 4750 North Kedzie Avenue, \$7,500.

Do you know either one of those?

Mr. AVERSA. I decline to answer, sir.

Mr. RICE. The total of that group of checks is a little better than \$50,000. Outside of the Sophie Tucker check do you wish to offer any explanation about any of them?

Mr. AVERSA. No, sir; I decline to answer on the grounds that it may tend to incriminate me.

Mr. RICE. Do you have any information on any of them?

Mr. AVERSA. I decline to answer on the grounds that it may tend to incriminate me.

Senator KEFAUVER. I direct you to answer and tell us what you know about these checks.

Mr. AVERSA. I decline to answer, sir, on the grounds it may tend to incriminate me.

Senator KEFAUVER. Anything else?

Mr. RICE. One or two questions. Have you ever been connected with the New York Novelty Co.?

Mr. AVERSA. Beg your pardon?

Mr. RICE. Have you ever been connected with the New York Novelty Co.?

Mr. AVERSA. Yes.

Mr. RICE. New York Novelty Co.?

Mr. AVERSA. Yes.

Mr. RICE. What is your capacity with that company?

Mr. AVERSA. I decline to answer on the grounds it might tend to incriminate me.

Mr. RICE. What is the New York Novelty Co.?

Mr. AVERSA. I also decline to answer it on the grounds it may tend to incriminate me.

Senator KEFAUVER. Is it a legal business or an illegal business? I direct you to answer it.

Mr. AVERSA. I decline to answer that question on the grounds that it may tend to incriminate me.

Mr. RICE. I think he opened the door by saying he was connected with the company. We are entitled to know what the business of the company is. What is the headquarters of the company?

Mr. AVERSA. I decline to answer on the grounds that it may tend to incriminate me.

Mr. RICE. What do you mean by saying you are connected with it?

Mr. AVERSA. I was connected with it in 1947. The thing don't exist any more.

Mr. RICE. You are no longer connected with it?

Mr. AVERSA. That is right.

Mr. RICE. When you were connected with it in 1947, what was your connection?

Mr. AVERSA. I decline to answer that, sir, on the grounds it may tend to incriminate me.

Mr. RICE. What do you mean by that? Were you a principal in the company or were you manager?

Mr. AVERSA. I decline to answer that also on the same grounds.

Mr. RICE. Was it a slot-machine business? Was it in a slot-machine business?

Mr. AVERSA. I decline to answer that, sir, on the same grounds.

Mr. RICE. You can say "No," if it wasn't, you know.

Senator KEFAUVER. He declines to answer. I direct that he answer that question.

Mr. AVERSA. I decline to answer, sir, on the grounds that it may tend to incriminate me.

Mr. RICE. Do you know where 20 East Cross Street is?

Mr. AVERSA. Yes, sir.

Mr. RICE. Do you have any business at 20 East Cross Street?

Mr. AVERSA. Do I have any business?

Mr. RICE. Yes.

Mr. AVERSA. I own a property there.

Mr. RICE. The Chanticleer?

Mr. AVERSA. No.

Mr. RICE. You own property there?

Mr. AVERSA. Yes.

Mr. RICE. What property does it consist of?

Mr. AVERSA. Tavern.

Mr. RICE. Who is your tenant?

Mr. AVERSA. Jenkins.

Mr. RICE. Has he ever been arrested, to your knowledge?

Mr. AVERSA. I think he was arrested once and exonerated.

Mr. RICE. For horse booking?

Mr. AVERSA. I think so.

Mr. RICE. I see a record here where you have something about speculations on races. What does that mean?

Mr. AVERSA. I decline to answer that, sir, on the grounds it may tend to incriminate me.

Mr. RICE. Do you speculate on the races?

Mr. AVERSA. I decline to answer that on the same grounds, that it may tend to incriminate me.

Senator KEFAUVER. You are directed to answer that question, Mr. Aversa.

Mr. AVERSA. I decline to answer that, sir, on the same grounds, that it may tend to incriminate me.

Mr. RICE. I see no point in laboring this.

Senator KEFAUVER. Where did you come from? Are you a native of Baltimore?

Mr. AVERSA. No, sir. I came here as a little boy from Italy.

Senator KEFAUVER. From where?

Mr. AVERSA. Italy.

Senator KEFAUVER. Where?

Mr. AVERSA. Italy.

Senator KEFAUVER. Where were you born?

Mr. AVERSA. In Italy, sir. I came here when I was about 8 or 9 years old.

Senator KEFAUVER. Where did you come from in Italy? What place?

Mr. AVERSA. I think it was called something like Katanya.

Senator KEFAUVER. Are you naturalized?

Mr. AVERSA. Yes, sir.

Senator KEFAUVER. You came over with your family?

Mr. AVERSA. Yes, sir.

Senator KEFAUVER. Where all have you lived since you have been in the United States.

Mr. AVERSA. In Baltimore, sir.

Senator KEFAUVER. Lived all your life there?

Mr. AVERSA. Yes, sir.

Senator KEFAUVER. How old are you now?

Mr. AVERSA. I am 47, sir.

Senator KEFAUVER. Any questions, Senator?

The CHAIRMAN. No, sir.

Senator KEFAUVER. Mr. Rice?

Mr. RICE. Have you ever been arrested.

Mr. AVERSA. Maybe some years back for disorderly conduct as a youngster, fighting, something. Outside of that no other.

Mr. RICE. In recent years you haven't been arrested?

Mr. AVERSA. No, sir.

Mr. RICE. You have been operating right there in Baltimore in recent years?

Mr. AVERSA. I beg your pardon?

Mr. RICE. You have been operating right there in Baltimore in recent years?

Mr. AVERSA. I don't get the question.

Mr. RICE. You have been doing business there in Baltimore in recent years? Is that right?

Mr. AVERSA. Have I been in Baltimore?

Mr. CRAIN. Have you been working in Baltimore in recent years?

Mr. RICE. In the last 8 or 10 years?

Mr. AVERSA. Yes.

Mr. RICE. Living there?

Mr. AVERSA. Yes.

Mr. RICE. You haven't been arrested?

Mr. AVERSA. No, sir.

Mr. RICE. Have you ever heard of the Mafia?

Mr. AVERSA. The Mafia?

Mr. RICE. Yes.

Mr. AVERSA. I have read about it.

Mr. RICE. What is it?

Mr. AVERSA. I don't know.

Mr. RICE. What do you read about it?

Mr. AVERSA. What I see in the paper, Mafia. That is what I mean, the name itself, that is all.

Mr. RICE. What is it?

Mr. AVERSA. I don't know.

Mr. RICE. What did you read about it?

Mr. AVERSA. Nothing except the name.

Mr. RICE. What does it mean? Do you speak Italian?

Mr. AVERSA. Very little. I have no idea.

Mr. RICE. It doesn't mean anything to you?

Mr. AVERSA. Doesn't mean anything to me.

Mr. RICE. What impression do you have of it, reading about it?

Senator KEFAUVER. He says it doesn't mean anything to him.

Do you go down to Florida in the wintertime?

Mr. AVERSA. Occasionally, sir; yes, sir.

Senator KEFAUVER. Where do you stay in Florida?

Mr. AVERSA. Usually stay around the Cromwell Hotel.

Senator KEFAUVER. Where?

Mr. AVERSA. Cromwell, no particular place, any spot at all.

Senator KEFAUVER. Were you asked the question of whether you know Dobkins out in Chicago?

Mr. AVERSA. I beg your pardon?

Senator KEFAUVER. Do you know this fellow Dobkins in Chicago?

Mr. AVERSA. I decline to answer that question, sir, on the same grounds.

Senator KEFAUVER. Do you know Levy at Cincinnati?

Mr. AVERSA. I also decline to answer that question on the same grounds, sir, that it might tend to incriminate me.

Senator KEFAUVER. Do you know Erickson in New York, Frank Erickson?

Mr. AVERSA. No, sir.

Senator KEFAUVER. You don't know him?

Mr. AVERSA. No, sir.

Senator KEFAUVER. Do you know Mr. Bilson, who was in here telling about the wire service?

Mr. AVERSA. No, sir.

Senator KEFAUVER. Have you ever had any connection with the wire service?

Mr. AVERSA. No, sir.

Senator KEFAUVER. How about Louis Levinson?

Mr. AVERSA. Is he on one of those checks?

Senator KEFAUVER. I don't know. I don't believe he is.

Mr. RICE. "Sleep Out" Louis Levinson, Cincinnati.

Mr. AVERSA. I don't think so.

Mr. RICE. You don't know him?

Senator KEFAUVER. That is all. Do you have anything else you want to say?

Mr. AVERSA. That is all.

Senator KEFAUVER. Do you want to ask him any questions, Mr. Counsel?

Mr. CRAIG. None, Mr. Chairman.

Senator KEFAUVER. That is all.

All right, Senator O'Connor.

The CHAIRMAN. Mr. Smith, please.

In the presence of Almighty God, do you swear that the testimony you shall give will be the truth, the whole truth, and nothing but the truth?

Mr. SMITH. I do, sir.

TESTIMONY OF THOMAS S. SMITH

The CHAIRMAN. Your full name is——

Mr. SMITH. Thomas S. Smith.

The CHAIRMAN. Thomas S. Smith. Mr. Smith, you are connected with the Maryland State Police?

Mr. SMITH. That is right, sir.

The CHAIRMAN. And for what period of time have you been connected with them?

Mr. SMITH. Since 1940.

The CHAIRMAN. Most recently where have you been stationed insofar as your duties with the State police are concerned?

Mr. SMITH. Division of investigation.

The CHAIRMAN. For what period of time have you been connected with that subdivision of the Maryland State Police?

Mr. SMITH. Since 1942.

The CHAIRMAN. Now, Mr. Smith, you have been in recent weeks working in conjunction with the Senate Crime Investigating Committee, have you not?

Mr. SMITH. Yes, sir.

The CHAIRMAN. I think your particular investigations included some of the matters in Florida as well as elsewhere?

Mr. SMITH. Yes, sir.

The CHAIRMAN. And most recently have you been concerned with matters in the State of Maryland?

Mr. SMITH. Yes, sir.

The CHAIRMAN. Now particularly I invite your attention to any investigation that you might have made concerning the existence of any narcotics or dope of any kind in the State. Will you tell the committee just what you have done in that regard, please?

Mr. SMITH. Yes, sir. From a confidential source we had heard that a source of marijuana existed in western Maryland somewhere around Kitzmiller.

On July 3 we made an investigation of that tip. We were able to locate a source of marijuana growing wild in the vicinity of Romney, W. Va., on down the south bank, they call it, of the Potomac River, on down into western Maryland.

The CHAIRMAN. First of all, how far was the place from the Maryland line that you first discovered it?

Mr. SMITH. I would say 25 or 30 miles from the Maryland line is where this source of marijuana that I have with me here, the specimens came from. It came from the vicinity of Romney, W. Va., on property owned by a James and George Stump and also on another property owned by Williams brothers, but it is our information that this plant is growing wild, unrecognized by the local citizens, and it is growing all along the river bank in that vicinity.

The CHAIRMAN. Now, Mr. Smith, are we to understand that starting from the point near Romney that it was traced near to the State line of Maryland?

Mr. SMITH. We have no samples from Maryland, but we understand that it goes into Maryland and is growing there.

The CHAIRMAN. Now did you take photographs of the particular area?

Mr. SMITH. Yes, sir.

The CHAIRMAN. Will you produce those, please.

Mr. SMITH. Yes, sir; here they are right here, sir. It shows marijuana growing wild in its natural state, and it does give an indication of the size of the plant. It grows to probably 6 or 7 feet tall in some instances.

The CHAIRMAN. I would like to have those introduced in evidence and marked by the reporter.

(The photographs referred to above were marked for identification as exhibits A, B, C, and D, and may be found in the files of the committee.)

The CHAIRMAN. Now, Officer Smith, you had mentioned previously that the tip that you received led you, of course, to this particular location where you verified the fact that there was quite a supply of it growing wild.

Mr. SMITH. Yes, sir.

The CHAIRMAN. Did the source of the information also reveal as to what if any use had been made of it in the past?

Mr. SMITH. The reason for the investigation, sir, was the tip that it was a possible source or was a source for Baltimore and Washing-

ton, that some person up there, who we were unable to determine, was bringing it into the two cities and selling it after first trying it out.

We brought a small sample here for evidence. We have had it analyzed and it is found to be—

The CHAIRMAN. That was to be my next question. Will you state what you did with it by way of analysis.

Mr. SMITH. This was analyzed by a chemist and was found to be the marijuana plant.

The CHAIRMAN. Now, Mr. Smith, who analyzed it?

Mr. SMITH. I do not have that information, sir, as to the name. I can determine it for the record.

The CHAIRMAN. It was a competent person?

Mr. SMITH. Yes, a competent person.

The CHAIRMAN. In fairness to the owners of the property, lest there be any inference from what you have said—and you have given the names of the owners—there is nothing to indicate that they themselves, no proof as to their use of it or their distribution of it?

Mr. SMITH. Nothing whatsoever, no, sir. This is just a weed to them.

The CHAIRMAN. I didn't want the record to indicate that there was any indication that they, the owners of the property, were aware of the nature of the drug and were using it or causing its distribution.

Mr. SMITH. No, sir; no indication of that whatsoever.

Senator KEFAUVER. Mr. Smith, the obligation to destroy this weed, is that an obligation of the State police?

Mr. SMITH. We understand it is a Federal narcotic obligation to take care of that.

Senator KEFAUVER. I am sure they will take care of that.

Mr. SMITH. Yes, sir.

Senator KEFAUVER. Is this in West Virginia mostly?

Mr. SMITH. The source that we found is in West Virginia; yes, sir.

Senator KEFAUVER. Apparently there is some, you think, in Maryland; is that right?

Mr. SMITH. Yes, sir.

Senator KEFAUVER. All right.

The CHAIRMAN. I think that is all. Mr. Smith, we will keep these photographs as a part of the record.

Senator KEFAUVER. The hearing tomorrow beginning at 10 o'clock will start here and continue on in the afternoon and probably be held in the District of Columbia committee room in the Capitol.

The committee will stand in recess until 10 o'clock tomorrow.

(Whereupon, the committee adjourned at 5 p. m.)

ORGANIZED CRIME IN INTERSTATE COMMERCE

THURSDAY, AUGUST 9, 1951

UNITED STATES SENATE,
SUBCOMMITTEE OF THE SPECIAL COMMITTEE TO INVESTIGATE
ORGANIZED CRIME IN INTERSTATE COMMERCE,
Washington, D. C.

The committee met, pursuant to adjournment, at 10:30 a. m., in room 457, Senate Office Building, Senator Estes Kefauver presiding.

Present: Senators O'Connor (chairman) and Kefauver.

Also present: Downey Rice, associate counsel; Wallace Reidt, Nicholas Stathis, and Norman Polski, assistant counsel; and James M. Hepbron, administrative assistant.

The CHAIRMAN. The hearing will please come to order.

At the outset, I might announce that, as was done yesterday, I shall request the able Senator from Tennessee, Senator Kefauver, to preside at the hearing today, and we will continue the hearing in this room throughout the morning session if possible. Then, upon the resumption of the hearing after the luncheon recess, we will have the hearing in the District of Columbia room, just off the Senate floor, because of the fact that it is expected that the arguments on certain contempt citations will be heard this afternoon, in which several of the Senators are required to participate and also because of the call of the Calendar which is scheduled for today.

I should like also to announce for the information of the press that we have received certain inquiries about the hearings in connection with conditions in New York, and they have been scheduled to begin on next Wednesday, August 15. The hearings will be held here in Washington for some of the reasons that prompted us to hold these hearings in Washington, in order that Senators could be in close touch with legislative proceedings.

We have the pleasure today of having the distinguished judge of the supreme bench of Baltimore City, Judge Joseph Sherbow, with us, who has come at our special invitation, and we would like to ask, at this time, Judge Sherbow, if you will kindly take the stand.

Senator KEFAUVER. Judge, according to the rules of the committee, all our witnesses have to be sworn.

Do you solemnly swear the testimony you give the committee will be the whole truth, so help you God?

Judge SHERBOW. I do.

Senator KEFAUVER. Before we start with Judge Sherbow, I think we should see if Mr. Sapperstein, Ike Sapperstein, is here. Is he here this morning? We had a physical examination made of Mr. Sapperstein. His certificate was not satisfactory.

What is the situation with regard to that?

Mr. RICE. We have communicated with Mr. Sapperstein by telegram last night and indicated the committee's desire to have him here this morning despite the letter we received yesterday. I have heard nothing further from him.

Senator KEFAUVER. I will ask the staff to please notify his lawyer that we expect him to be here this afternoon.

If anyone's name was mentioned in the hearings yesterday who wants to make any explanation or have anything to say about the testimony that was given, I wish he would let the staff or the committee know, so we can give him an opportunity to be heard at the earliest possible moment.

Judge Sherbow, the committee is delighted to have you with us this morning. We appreciate the cooperation and assistance you have given the committee. We recognize your very high standing as a member of the judiciary in Maryland and in the city of Baltimore. We know that you have a great deal of familiarity with conditions in Baltimore City.

Do you have any preliminary statement that you wish to make in the beginning, Judge?

The CHAIRMAN. Just as a matter of evaluation of the testimony of the judge, if you will permit me, Mr. Chairman, I do think, for the record, that it ought to be stated, as you have so ably stated, that in the judge we have a very important witness who is conversant with conditions not only in Baltimore, but elsewhere, as a result of the studies he has made and of the very splendid judgment and experience that he has had. So I think we are fortunate in having him.

As you have indicated, he has been most cooperative and has been of tremendous help to our committee in its work.

I thought we could better evaluate his testimony by having that made a matter of record.

TESTIMONY OF HON. JOSEPH SHERBOW, ASSOCIATE JUDGE OF SUPREME BENCH OF BALTIMORE CITY, MD.

Judge SHERBOW. You are both very kind.

At the outset, I wanted to address myself particularly to the narcotics situation.

When I came into the criminal court, part I, in Baltimore City, the first week in January of this year, I already had had some familiarity with the narcotics picture because I had helped organize what we call the Youth Court in Baltimore, dealing with offenders from 16 through 20, all of whose cases are heard in one part. We got that started last October. That was when I began to see these narcotics cases floating through the courts.

By sometime in January, I was appalled with the situation as it began to develop in Baltimore City, insofar as the courts were concerned. I had some consultations with Mr. Hepbrun of the Criminal Justice Commission, Mr. Reidt, Mr. Boyd Martin of the Federal Narcotics Bureau, our own police department, the State's attorney's office, and I think the rest of the picture is pretty well history because in Baltimore City, insofar as narcotics are concerned, you have what, I would say, comes closest to being the perfect picture of cooperation between the Federal and State and city police authorities and the municipal government as such.

The municipal government through the mayor and city council, board of estimates, allocated \$10,000 to the State's attorney's office for use in connection with the narcotics picture.

We had the sad experience of seeing a Federal Bureau in a city of nearly a million population with only three Federal agents. They did a splendid job under those handicaps. When I communicated with them further, I found they had a total of 11 agents for 11 million population in the various States under that same area of jurisdiction.

So they could not do the job without the local authorities. The police formed a narcotics squad. There are two of them functioning now. We have had a parade of offenders who have been apprehended, many of whom have been convicted and are now serving their sentences.

The experience that stands out in my mind is not the fact that you have this pathetic parade of people, but that the major source of supply of heroin for Baltimore City should be Washington, the District of Columbia, the Nation's Capital.

Senator KEFAUVER. How do you know that?

Judge SHERBOW. I have had, Senator, case after case where in questioning the people we have found that the source of supply has been an area in the District of Columbia where they come over and purchase their heroin at a dollar to a dollar and a quarter to a dollar and a half per capsule and bring them to Baltimore where the price is \$3. I know—and, Senators, of course, you know—that addicts are garrulous. You cannot rely on what they say. They are almost psychopathic liars. But the picture, including the locations, has run through so many of the cases that it is clear that it is so, and I believe it.

I have taken it up with Mr. Boyd Martin and I believe they are familiar with it. They know the situation and they are doing what they can to curb it with inadequate facilities and a woeful lack of manpower.

Senator KEFAUVER. If you will excuse me, at this time, the condition you are talking about of Washington, in your opinion being a chief source of supply for heroin, is that as of now or is that as of sometimes in the past?

Judge SHERBOW. I have to phrase it this way: From the time I started trying these cases up until we recessed, which was in the first week in July, so I cannot speak for July and I cannot speak for August, although I have been willing to hold cases during that period of time, but we just cannot try them for technical reasons—

Senator KEFAUVER. What was the time you started to try cases?

Judge SHERBOW. Beginning the first week in January of 1951.

Senator KEFAUVER. Can you tell us approximately how many cases that you tried there was evidence secured about Washington being the source of supply?

Judge SHERBOW. I cannot. But I can tell you that it wasn't 1, it wasn't 5, it wasn't 10, it was more. So much so, Senator, that the pattern began to run through it. They would name the streets. If you ask me to give you the name of the streets, I am afraid I would name the wrong streets. Mr. Wallace Reidt could pick it up without difficulty through the testimony and through Sergeant Carroll and perhaps even could interview those who are involved in that phase of the picture.

The CHAIRMAN. Would you permit me to ask a question right there? Bearing out your statement—and I state this as information coming to us which is confirmatory of exactly what you have stated—and ask you whether your experience has been along similar lines. We have found that the price of the dose, just as you have described, was \$1 in Washington and \$3 in Baltimore, which indicated—and which the addicts told us indicated—the more plentiful supply here in Washington, the District of Columbia. Did you not find that that lasted over the whole period or over an extended period, that same price differential which the addicts, of course, indicated meant a more plentiful supply and brought them here to Washington to get it?

Judge SHERBOW. It lasted up until the last case I tried. The only reason I hesitate to say what the picture is today is because for July and August I do not want to talk about things I do not know anything about. You are absolutely right. They come to Washington and buy 30 or 40 or 50 caps at \$1 or \$1.25 and come to Baltimore and retail them for \$3 apiece.

The CHAIRMAN. Did you hear of any cases, such as we heard—that is why I ask the question—of several coming up together from Baltimore to get to Washington?

Judge SHERBOW. The largest, I think, I had, was three or four in a group coming over to get it and they named the streets. They named the corners where they could get it and I questioned them very carefully and made full allowances for the fact that they were willing to lie. They were very frank in telling where the streets were and what the corners were and I have confirmed that with the officials of the Federal Bureau, but there is a limit to what manpower can do if you do not have enough manpower.

Senator KEFAUVER. Judge, whom did you notify in the District of Columbia or in the police department here or the Bureau of Narcotics about this condition?

Judge SHERBOW. Immediately, as it came to light—the Bureau in Baltimore includes the District of Columbia, Virginia, West Virginia, and I think one other State, so the headquarters are in Baltimore, and as the cases were being tried, the Director, Mr. Martin, was there.

I want to say this: I couldn't pay high enough tribute to Mr. Martin and to the members of the police department in Baltimore for the job they are doing in the narcotics field. I say it is a swell job and the cooperation between the Federal and the local police department is absolutely perfect. There is no friction. Nobody is trying to make cases for his side or the other side, but it is pretty sad when you find only three Federal operators in Baltimore, and there happen to be incidentally some rather outstanding, well-educated men there.

Senator KEFAUVER. I think we can join you in general for the very high praise for the Bureau of Narcotics and Mr. Anslinger. All the agents we have seen are devoted men who work overtime and are competent and thorough in their work. They have only 188 to cover all of the United States and their Territories. That is the difficulty.

Were the Baltimore police in touch with any members of the police force of the District of Columbia?

Judge SHERBOW. I cannot answer that. I can say this: That the Narcotics Bureau knows it—I do not like to quote other people—but I can say, in discussing it with Mr. Martin, I have gotten a clear

indication that Mr. Martin has recognized that situation and is doing whatever he can to clear it up and clean it up to what extent possible.

As to what extent it has been communicated by him to the local police department, I prefer to have him answer for himself.

Senator KEFAUVER. It would be interesting to know that.

Senator O'Connor and I were both advised that Major Barrett has started, or rather will start the latter part of this month or early in September, schools in which most of the Metropolitan Police force will be given courses in apprehending narcotic peddlers and dealing with narcotic problems generally. So the District of Columbia police force will be better equipped to cope with the problem. I think that is a commendable thing which Major Barrett is doing.

Senator O'Connor, I think, is going to address them.

The CHAIRMAN. I understand the plans have been completed. We are just waiting for the opening in the very near future.

Senator KEFAUVER. How do you account for this condition that heroin is cheaper in the District of Columbia than in Baltimore city?

Judge SHERBOW. For one reason, if you get caught with it in Baltimore, you get locked up and you get a long sentence. I cannot answer for Washington.

Mr. RICE. Along that line, Judge Sherbow, have you been sensitive to any upswing of the use of the drug by teen-agers?

Judge SHERBOW. Yes, Mr. Rice, and I would say that 30 years' experience at the bar, part of it on the bench, has disclosed to me nothing as sad and sickening as that. We have had some demonstrations even in the courtroom that would turn your stomach.

There was one case involving marijuana where a group of teen-agers, some in their early 20's—and over 50 of their friends—were present in the courtroom to see what would happen. They thought it was a theatrical performance, at least during the recess period that was the impression I got from those who were out in the hall. They had no idea of the seriousness of the situation.

Then a 15-year-old boy took the stand and testified that on a Friday night, he had sold 90 marijuana cigarettes at a public dance hall in one of the sections of Baltimore city and he was only one of the peddlers.

That was back in January or February, but it is definitely so prevalent among the younger people that it is the problem that I think has to be viewed now from the constructive angle of what you are to do when the heat is off, when this committee ceases to function, when the lethargy that usually sets in and the apathy and apathetic attitudes of the communities begin to take over, what are you going to do about it?

Mr. RICE. Have you been able to ascribe any reason for this upswing in the use of narcotics by teen-agers?

Have you been able to figure that out, Judge Sherbow?

Judge SHERBOW. No; I haven't been able to figure that out, except along these lines. Those who are using it frequently have a problem or a difficulty and, if drugs were not so plentiful and so easily obtainable, the worst that would have happened to them would have been that they might have gotten involved in some minor difficulty, but, because the drugs were available and are still available, they get involved in this kind of an episode and then, when they get out, un-

fortunately, not too many can be helped, not too much can be done, or is being done for them.

Mr. RICE. Obviously, Judge Sherbow, you have given considerable thought to this problem. Do you have any suggestions you might offer along remedial lines that would be helpful?

Judge SHERBOW. Yes; I do. I have what I call the nine points that are on the constructive side, and I have divided them into the international and State and city levels. If I may, I would like to tell you what those nine points are and say something about each of them.

The CHAIRMAN. I think that would be a very proper procedure. We will just consider the entire program as introduced, if you would, and then, if you would make any statements you wish concerning the different subdivisions of it or just consider the entire suggestions as embodied at this point in your remarks.

Judge SHERBOW. Item 1 is the restriction of the growing of opium plants in Asiatic and middle-eastern countries through the United Nations action. Of course, Senator, that is where you and others can have our representatives at the United Nations deal with the problem at that level and it can be done. I believe some steps have been taken toward that.

On the national level, I think the greatest effort ought to be made by the agencies of the United States Government to prevent smuggling of narcotics into this country.

This happened before me a few weeks ago. A young man in his early twenties kept his marijuana in an automobile in the baby's diaper bag. There were two babies, one of 3 and one of 18 months, and his wife was about to have a third child 2 weeks off when the case was being tried. He kept the marijuana right in the diaper bag. As it developed in that case, that marijuana came over in an oil tanker which had come from the Gulf of Mexico. The engineer had brought it into Baltimore. He had gotten it from the engineer. There was the perfect tie-up. It showed that it was so easy, so simple, to get off these ships, that something can be done.

This country stopped smuggling of gems and other items. It is an expensive process, but it is certainly worth doing. If an intensive effort were made to block that source, you would accomplish a great deal. You cannot do it all with one fell swoop, but that is a part of it.

Adequate increase in the number of Federal narcotic agents. I think that speaks for itself. When you have three in a city of a million, you do not scratch the surface, you do not even tickle the surface, with just three. The local police are doing their job, but they had to be awakened to it. The Federal narcotics people are on the job all the time. If you get that increase, you will get something done.

There ought to be additional medical facilities at Lexington, Ky., and elsewhere. Here I want to say this about it: Taking people to Lexington or to any other institution, keeping them there long enough to take them off the drug, 3 or 4 months longer accomplishes very little, because as soon as they get out, whatever problem they originally had that helped them to get into the habit, or whatever may be the reason for it or whatever kind of weakness they may be subject to, they go right back to it. What they need—they have it at Lexington on some scale, but they do not have it elsewhere—is the kind of psychiatric training, the kind of rehabilitation, that is needed to restore people back to normal, natural society.

If they do not have that kind of training, then a great deal of what is being done is lost.

I say "and elsewhere." There ought not to be just the places at Lexington and, I think, one other. There ought to be other institutions for the addicts.

How does that come about? That is my next point. There ought to be assistance by the Federal Government to State and local governments for additional hospital facilities for drug addicts. What you have there is this picture: The Federal Government will help under the Hill-Burton Act for the construction of certain hospital facilities. The Federal Government will help through the Public Health Service for a large distribution of funds for research. The Federal Government is doing, on its top level, a great number of things in the way of grants in aid to the local governments on any variety of levels dealing with other problems. If the Federal Government could grant to an area, because a city may not be able to maintain it, some help, so that a hospital or a facility can be established that will begin to provide beds—and beds are only a beginning, because it takes a short while to take them off the drug in spite of what they go through, and it is horrors—but after that you have the rehabilitative process. Meanwhile, they must be kept under custodial care. That takes time and that takes money.

The next point is: Federal funds and private funds for medical research. I happen to be quite interested in the general field of medical research. I do not know whether this committee has received much information about this, but my information is that very little is being done anywhere except at Lexington in the field of medical research into some cure or possible agency or agent that might prevent the addicts from going back or remaining on the drug, or doing something about it. Here we have a large number of foundations in this country that are making grants. The Federal Government is making tremendous grants, all to agents for research. Something could be done, something should be done, to funnel some of these funds into this field.

You cannot have research by turning on a spigot and turning it off. Research doesn't work that way. If, in some way, attention is directed to it, I know it can be done.

It so happens, right in Baltimore, I know of some research that is being done, but it happens to be in a field which, while directly connected with dope addiction, is on such a small scale that it needs help.

On the State and city level, we ought to have some form of custodial and hospital treatment and custodial care for addicts. We know in Baltimore there are some beds we can have available at the Baltimore City Hospital. We know what it would cost, but that does not begin to solve the problem because, if I commit them there under some form of probation, they get off the drug in a few weeks, and then what happens? You have to let them out of the city hospital. There is no place, no room, for them. No facilities. Nothing has happened. You have just given it a pinprick, and that is all.

However, if there were some kind of treatment and custodial care on the local level that lasted long enough to make sure that there was a chance of helping them and saving them, we would get somewhere.

Of course, then there is this continued full cooperation that I speak

about that exists in Baltimore City. Then you come to education on the adult level.

Senators, I do not mind saying, when this committee's job is done, there will be, in some sections of the country, an awakened interest that will last a few months, in some places it will last a year, and in some it will die out the day after the committee's reports are finished. In some cases the work will go on for a long while.

I also understand from the Federal people that it is a mistake to try to educate on the teen-age or adolescent level. I won't argue with educators about a subject they know more about than I pretend to know.

The CHAIRMAN. We have such respect for your judgment and know you have given as much thought and study to it as anyone in America, certainly the very successful results that have come from it have indicated the soundness of your views, that we would be interested to know whether you feel, by widespread discussion of it, by such educational steps as you have outlined, there would be any greater danger of suggesting to youth that they go in for this, Judge?

Judge SHERBOW. My experience in the courts and as a parent indicated to me that it is a lot better to tackle the subject, with reasonable reservations, than to adopt the "pish-tush" attitude of "Oh, don't let's talk about it."

I disagree with that, but I do not want to quarrel with educators or others who maintain you ought not to do it. You have asked for my view. I disagree with them.

If you were to conduct in this country the kind of educational campaign that would be approved by people who have familiarity with the subject, there isn't anything about drugs that you could glamorize if you approach this properly. You do not glamorize it by showing the horrors or coming out of the use of it and just a couple of movies of that sort and teen-agers would not think it was the right thing to do.

I think it is a mistake to adopt the view that you ought not to talk with youngsters about it. My own experience with my own and as president of a PTA for about 9 years—one of the largest in the city—and in dealing with, as you know, a lot of law students, indicates that these youngsters are smart today. They are intelligent. They know the score. You do not fool them by drawing the curtain and saying, "Do not look behind it."

I myself would be in favor of an educational program properly directed.

I say in the nine points that I have here that it should be conducted on an adult level. I think that is our biggest and our main job. I think the others can be tested out. I think that it can be carefully examined and tried out in some testing areas. My own guess is it will be all right.

The CHAIRMAN. We recall—and I am sure you do—that it hasn't been so many years ago that a number of persons shied off and there was the hush-hush attitude that you described with regard to social disease problems. When certain names were taboo, and no newspaper would even allow them to be included on their pages. Yet, after coming to see the benefits of education in that field, very salutary results were attained.

Judge SHERBOW. I do not think you ever have to fear education properly directed where young people are involved, if you give them

all the facts. I am not talking about propaganda. They will see right through it. If you let them have all the facts and they see what is involved—of course, you will have a few weak ones who will go to drugs anyway. The vast majority do not even know how to recognize a friend who is taking drugs. I venture to say, if you took the entire school population of any large city—I am talking about the adolescent group—you wouldn't find many who could tell you even if they had identified to them a marijuana smoker or a heroin addict, because they would never have known the symptoms. To me this is the saddest of all, that the parents do not know—that is tragic.

That is the picture on the constructive side of what can be done. We already have had a strengthening of the criminal laws.

Senator KEFAUVER. I think your statement about the narcotics problem is a very good one, Judge. It certainly shows that we have a lot to do, not only on the enforcement level, but also on the educational level, and also on the treatment level.

Judge SHERBOW. May I interrupt and make one other observation. The thing that struck me was the fact that hardly any people whom I knew could believe there could be addicts in the middle-class population. They thought it was all among the groups in the lower economic levels, downtrodden slum residents, and the sad part of what is now being uncovered is the fact that that is just not so. There is a larger percentage there but, unfortunately, there are too many who are in the better economic groups and people who have had a fair education.

Senator KEFAUVER. All right, Judge.

What is the next problem involved?

The CHAIRMAN. Senator Kefauver. I would like, if I may, to have the benefit of the judge's views and comments, if he sees fit to make it, and if he will be good enough to cooperate with us, in regard to another phase of this problem. It has to do with the matter, as was previously referred to a minute ago, in regard to the social diseases, and we had requested the American Social Hygiene Association to make a study of conditions in the Baltimore area in regard to vice and various phases of that problem.

As Mr. Rice, our counsel, just reminded me, one of the serious aspects is its proximity to military reservations, not only Fort George G. Meade, but Aberdeen, Edgewood, and Holabird, and a number of other Army and Navy reservations. Judge, we received from the American Social Hygiene Society a summary of their findings after they had people go into the city, and that was brought up to date as of June 1951. I would like to read it, if I may, and then see whether you think it is, generally speaking, an accurate summary. It is as follows:

No flagrant prostitution activity was discovered in Baltimore, Md. Neither were any bellboys or cabdrivers found who offered to act as go-betweens. However, in 21 bars and night clubs prostitutes were encountered plying their trade somewhat cautiously. Some were "hustlers" who decorated the bars almost daily, others were employed as witness—"drink rustlers," still others acted as entertainers.

All of the night clubs furnished so-called entertainment, which featured the "strip tease." It was distinctly lewd and indecent designed to stimulate the sex impulse.

Merchant marines and many servicemen apparently were the chief patrons of the resorts.

Minors were observed to be barred from all places investigated.

Generally speaking, Judge, would you say that that summarizes the situation?

Judge SHERBOW. I would say "Yes," with this reservation. I would say that that puts it in a more conservative light. It is a bit on the conservative side. My experience hasn't been quite so pretty a picture.

Mr. RICE. Judge, would you say that there was any commercialized aspect to the problem?

Judge SHERBOW. No.

Mr. RICE. Organized?

Judge SHERBOW. If you mean by that commercialized as it was in the old days, with houses, I would say not in Baltimore. But I think the statement Senator O'Connor read that you couldn't get cab drivers or bellboys—they didn't ask the right ones, because I have had some cases tried before me where apparently they did ask the right ones.

I will say this: That in Baltimore City the cases we get are the isolated cases, because the squad dealing with vice is right on the job.

The CHAIRMAN. In that connection, we were interested, of course, particularly in any possible interstate connections.

Judge SHERBOW. I would say, from everything that I know about it, the answer would be "No." There is none. What we have in Baltimore is on just about the scale that was described there, except that, as to some of the details, I am unwilling to go along, because some of the cases I have tried indicate differently. Large scale, no. Interstate, no. That it does exist, that it is confined to certain areas, yes.

Of course, what they say with respect to minors, I think on the whole is true, but, unfortunately, our experience with minors has been on the nonprofessional level. I do not mean to indict the taxicab drivers because 99½ percent of them in Baltimore are fine, swell, family people. I didn't want to give that wrong impression.

Senator KEFAUVER. Anything else, Mr. Rice?

Mr. RICE. Yes.

Judge, there has been some testimony here yesterday and possibly there will be some today indicating that the subject of gambling is not quite unknown in your area. It has been indicated that horse books and possibly numbers places are something that are fairly prevalent, you might say almost wide open. I wonder if that lines up with your observations?

Judge SHERBOW. Well, let me first, if I may, state my position. As judge, I try them. I do not catch them. I do not want to say or do anything that would, in any way, disqualify me from trying cases that may be pending or may hereafter come before me. If you want general observations, Mr. Rice, I will be glad to give them to you.

Mr. RICE. Yes. If you have a general observation about the pattern that the gambling is taking, we would like to hear it.

Judge SHERBOW. Yes, I can give that to you, and this is what has happened: Beginning with early this year, lottery operations have slowed down. Bookmaking has taken a definite turn. It has slowed down somewhat. This is what has happened. There were open bullpens, there were places where you could get your numbers placed wherever you wanted to without much trouble. Then suddenly there came a crack-down with sentences rather than fines.

What happened after that shows the resourcefulness of those who were engaged in that enterprise. They next changed their methods of operation. That was all. To some extent, they moved out of Balti-

more City and into adjacent counties and now the operation is a little different. It is all—not all, but a good part of it—done by telephone, so that you can place a bet, but only instead of it being open and flagrant on the street, as it was, you have to do it by telephone. The telephone communications system, telephonic communications system, is a part of the gamblers' method of operation, and it is a nice, booming, stage today, in spite of everything that the people will tell you who are in this enterprise. I keep reminding my friends that 90 percent of what I hear about their having gone out of business is propaganda, nice propaganda, but it is true.

MR. RICE. You feel, then, that the bookmaker has followed the pattern we found in some other sections of the country, where they have withdrawn into what might be called an insulated operation, where they move into an apartment or something of that sort and take the bets over the telephone without the customer actually making physical contact, coming into the apartment at all?

Judge SHERBOW. Oh, sure. I can give you instances of that where one lady in Anne Arundel County, which adjoins Baltimore City, was approached one day by two men who wanted to rent her front room. They were going to do some surveying in the neighborhood. They rented the room. She found out later they were using her telephone for bookmaking and she notified the police. I don't want to comment on the activities of the police outside of our jurisdiction.

The police department waited for the men to return to Baltimore City that night with their paraphernalia and their money and apprehended them there. They are now in prison. But that is only a part of it. It is on a much greater scale than that, but in that same method of operation.

MR. RICE. Do you feel that with that changing pattern developing into that isolated operation, the existing laws are adequate to cover the situation, so that the police action can be effected if there is an honest effort carried out?

Judge SHERBOW. We have a peculiar law in Maryland. Not all of the States have it. I would prefer not to go into that in detail. That is known as the Bauss law. One of the judges in the court of appeals in a speech referred to that as probably the greatest protection for the gamblers. Apart from that, you are speaking about general laws?

MR. RICE. Yes.

Judge SHERBOW. I do not know what new laws you need. You need law enforcement. You do not need new laws, except with what you are dealing with, the interstate level. This committee acts on the interstate level. Placing it up there and taking the heart out of the enterprise by what the committee has recommended will be the biggest step forward.

Do we need new laws on the local level? No. We need law enforcement.

MR. RICE. You feel there may be a place for Federal law aimed at the lay-off bet, the interstate bet?

Judge SHERBOW. No question about it. On the local level, what you need is law enforcement.

MR. RICE. With respect to that proposition of enforcement, would you want to make any comment about whether or not it is possible in your opinion for gambling to exist on a fairly extensive scale without police cognizance?

Judge SHERBOW. Let me put it to you this way: There are segments of the police department in Baltimore—and I make that plural, segments—that are doing an excellent job insofar as enforcement of the law pertaining to gambling are concerned, but, when you have an operation that is as large as this is, and has been in existence for a reasonable period of time and has not been discovered by the cop on the beat or nearby, then one of the several things is true. Either the cop is blind or he is incompetent, or he is corrupt.

Mr. RICE. Bringing that down to Baltimore, do you feel, along that line, there may be some room for improvement?

Judge SHERBOW. I certainly do not want to be placed in the position of witnesses who have occupied this stand who did not want to testify, but I would rather not answer that sort of a question for very obvious reasons, but I put it to you this way: In a department that has over 2,000 men in it, the vast majority are fine, competent, understanding, decent policemen, and let me stop at that.

Mr. RICE. But there are minorities in everything.

Judge SHERBOW. You answer your question, Mr. Rice. If I am not pressed—

Mr. RICE. We appreciate your position.

Judge SHERBOW. Let me point out one more thing, because you said something about the local situation. I knew if I didn't make a note of it, I wouldn't remember it. For the first time that I can remember a new agency has entered into this field in law enforcement. That is the board of liquor license commissioners. A great deal of what goes on goes on around the bars. We have cases where the owners and proprietors shut their eyes to what is going on which is so obvious to anybody that even an owner ought to know about it. Recently—and say for the first time that I can remember—the Board of Liquor License Commissioners of Baltimore City revoked the licenses of two downtown establishments, suspended them for a period of 90 days and said, "If this goes on in your places and you know it or should have known it, we are going to act."

Mr. RICE. When you are talking about things going on, you are talking about gambling going on?

Judge SHERBOW. Bookmaking, where the bookmaker goes up to the bar and takes the bets and the bartender and the owner couldn't help but know it. The board of liquor license commissioners has struck at the one thing they do not like, their pocketbooks. I am talking about the owners of the establishments. When they are closed for 90 days or longer, that hits them where they cannot take it. With the other group, you have to do more than hit their pocketbooks.

Mr. RICE. I can see where that can be very effective, but some of us feel that tactics like that are in the nature of secondary boycotts. The true problem is the gambling and it should not be left to the alcoholic board to prevent gambling.

Judge SHERBOW. I agree with that. Like Churchill, however, I am glad to have any allies at the moment and they happen to be an ally who has joined forces with us. So that is a good thing. I did not mean any invidious comparison by that.

Mr. RICE. If you had a chief protagonist in law enforcement, namely the boys in blue, that would be very effective, wouldn't it?

Judge SHERBOW. Certain segments of the police department in Baltimore City are doing a good job.

Senator KEFAUVER. What is your police setup in Baltimore City?

Judge SHERBOW. Very unusual, Senator Kefauver. It is under the Governor. The commission is appointed by the Governor of the State, but the cost of the entire department is paid by the city of Baltimore. That stems back to something that happened in 1884, or thereabouts, where the people wanted the power taken away from the city officials and placed with the State government. They have never wanted it placed back.

Senator KEFAUVER. You mean the mayor and city commissioner have nothing to do with the police department except to vote money and to pay for it?

Judge SHERBOW. That is right. If the commissioner, under certain circumstances, were to require it, he could issue script. It has never been done in the last 40 or 50 years, but it may have been done earlier. It is under the State government and is removed entirely from the municipal government.

Senator KEFAUVER. Is it on a civil-service basis?

Judge SHERBOW. Yes, but not civil service as such. All who come in must take certain examinations. All promotional examinations are given by our State civil service commission. But the commission itself has the power to make promotions by reaching almost as far down or anywhere in the list he wants to within certain limits.

Senator KEFAUVER. Who is the present commissioner of police?

Judge SHERBOW. Col. Beverly Ober.

Senator KEFAUVER. Is that a one-man control? He doesn't have a commission to operate with him?

Judge SHERBOW. No board of any kind. He is the commissioner.

Senator KEFAUVER. He hires and fires and has full responsibility?

Judge SHERBOW. Complete. He can hire and fire within certain limitations. For example, a policeman or an officer once on the force who has passed the probationary period cannot be discharged except for cause and is entitled to a public hearing.

Senator KEFAUVER. How about the number of police officers: is there a shortage?

Judge SHERBOW. There is a perennial problem in Baltimore. The commissioner has taken the view there ought to be a larger number of policemen and his statistics and figures seem to bear out his contention, according to many, but with changing conditions, such as the use of the automobile by the police, there has been the view by some that they do not need more in the department now. For the next budget I understand that the commissioner has asked for an increase of personnel, but I have made no study of that.

Senator KEFAUVER. All right, Judge, we thank you very much for your help.

The CHAIRMAN. Before the judge leaves, I think that I might say that I feel that not only is our city of Baltimore and the State very fortunate in having such a jurist, but I think he has been of tremendous help to us in this particular situation in the most clear-cut manner, because we have been able to get at one time the over-all picture from an authoritative source and in an intelligent and straight-forward manner. He is entitled to the thanks of the committee and of everyone for his very fine presentation.

Senator KEFAUVER. Yes.

Charles Rhudy.

Mr. Rhudy, do you solemnly swear the testimony you give the committee will be the whole truth, so help you God?

Mr. RHUDY. Yes, sir.

Senator KEFAUVER. You are accompanied by?

Mr. DORSEY. John H. Dorsey, appearing as counsel for the Baltimore Sales Co.

Senator KEFAUVER. Attorney at law, Baltimore?

Mr. DORSEY. Washington, D. C.

Senator KEFAUVER. Proceed, Mr. Rice.

TESTIMONY OF CHARLES S. RHUDY, BALTIMORE SALES CO., BALTIMORE, MD., ACCOMPANIED BY JOHN H. DORSEY, ATTORNEY, WASHINGTON, D. C.

Mr. RICE. Mr. Rhudy, you represent the Baltimore Sales Book Co.?

Mr. RHUDY. Yes, sir.

Mr. RICE. Is that a corporation?

Mr. RHUDY. It is a corporation; yes, sir.

Mr. RICE. And where is that located?

Mr. RHUDY. In Baltimore, Md.

Mr. RICE. Is there an address?

Mr. RHUDY. It is 3130-50 Frederick Avenue.

Mr. RICE. Are you an officer of the corporation?

Mr. RHUDY. No, I am not an officer.

Mr. RICE. What is your capacity?

Mr. RHUDY. My title is sales promotion manager. I am really in charge of the wholesale department.

Mr. RICE. In your capacity, then, as sales promotion manager, you are familiar generally with the business affairs of the company?

Mr. RHUDY. Yes, I am.

Mr. RICE. And you are familiar with the records?

Mr. RHUDY. Yes, I am; yes, sir.

Mr. RICE. I believe your company is in the business of publishing, printing, paper, and supplies, and things like that?

Mr. RHUDY. It is in the business of printing chiefly business forms, sales books, for the recording of business transactions, and primarily we print books for department stores.

We print business forms for the United States Government.

Mr. RICE. Generally, what area is served by the company, Mr. Rhudy?

Mr. RHUDY. Generally, since our products are heavy, freight is a factor, and I would say east of the Mississippi. I would draw a line from Illinois to Texas and that would just about cover it. I noticed the other day in looking over the records that we have made shipments to every State in the Union and to Puerto Rico.

Mr. RICE. As you know, we are particularly interested in these little books commonly called K books or more commonly known as numbers books.

Mr. RHUDY. I don't know them as numbers books.

Mr. RICE. And I think your company does produce some of them.

Mr. RHUDY. Yes, we do.

Mr. RICE. Would you tell us a little bit about what they are used for, according to what you know?

Mr. RHUDY. I have been with the company 20 years. When I came with the company that was in the stock book line and I have heard of their use as receipt books, as laundry tickets, inventory records. We ourselves use them in the factory in certain departments where we need a triplicate record made in a hurry. You can make a triplicate record there with only one piece of carbon, as you can see.

Mr. RICE. So it is possible to use this book for any purpose where triplicate copies would be needed?

Mr. RHUDY. Yes, sir.

Mr. RICE. Is that correct?

Mr. RHUDY. That is right.

Mr. RICE. We understand one another on that score.

Mr. RHUDY. Yes, sir.

Mr. RICE. Now, we believe we asked you to furnish us some records of the extent of your sales of this type of book.

Mr. RHUDY. Yes, you did.

Mr. RICE. Over the past several years.

Mr. RHUDY. Well, I was asked to bring figures as to the number of K books for 3 years and a half-year period.

Mr. RICE. For what period?

Mr. RHUDY. Three years and six months of this year, 1951. The first year, in 1948, we produced 8,189,000 K books.

Mr. RICE. You are talking about individual books, not cases?

Mr. RHUDY. No, sir.

Mr. RICE. How many triplicate tickets are there to a book?

Mr. RHUDY. There are 50 triplicate sets to a book.

Mr. RICE. I see.

Mr. RHUDY. Fifty sets in triplicate.

Mr. RICE. These figures you are supplying relate to individual books?

Mr. RHUDY. Yes, sir.

Mr. RICE. All right, sir.

Mr. RHUDY. That figure amounts to 6.8 percent of our total dollar volume.

Mr. RICE. I see.

Mr. RHUDY. And in 1949 we shipped 7,939,000 books, which was 7 percent of our total dollar volume; and in 1950 we produced 9,389,000 books, which accounted for 6 percent of the volume; and the 6 months this year through June we produced 3,873,000 books, which is 5 percent of our volume.

Through July 25, when your investigator was there, we produced 290,000 books for that month.

Mr. RICE. Have you been able to analyze that shipment to determine any trend in connection with this business?

Mr. RHUDY. Well, I was asked for the break-down of the figures of the customers and the addresses. I have those here.

Mr. RICE. I understand. I wondered if in your mind you have been able to determine any trend, whether the sales are up or down.

Mr. RHUDY. Well, I think the sales are down. I don't know about the trend. Over 90 percent of these books go to wholesale stationers and paper dealers and less than 10 percent by far go to individuals. We have no way of knowing the end use of the book at all.

Mr. RICE. I understand you are a wholesaler.

Mr. RHUDY. That is right, sir.

Mr. RICE. Occasionally you will sell over the counter if an individual comes in?

Mr. RHUDY. Yes, two or three times a month we have somebody stop in and buy some books at the plant, not only these books, but every stock book we make.

Mr. RICE. Could you give us some idea of the amount of competition you have in this area, if you have any major competitors, or whether you are the major supplier?

Mr. RHUDY. You mean the K book?

Mr. RICE. Yes.

Mr. RHUDY. Yes, we do have competition. I believe there are some books stored in a warehouse here in Washington by the Pittsburgh Sales Book Co.

Mr. RICE. The Pittsburgh Sales Book Co. sells in this area?

Mr. RHUDY. Yes, sir.

Mr. RICE. Would you have any idea about the extent of your sales as compared with the Pittsburgh Sales Book Co.?

Mr. RHUDY. No, I would not.

Mr. RICE. You wouldn't know?

Mr. RHUDY. No, sir.

Mr. RICE. You think their sales are substantial?

Mr. RHUDY. I would think so, yes. I hear of competition by various dealers.

Mr. RICE. Would you supply us with the names and addresses of some of the major purchasers of the K books in the last few years here?

Mr. RHUDY. Here?

Mr. RICE. Well, in the area here. I think you were asked to bring some figures on that.

Senator KEFAUVER. I think the staff here has the list. Why don't we let—

Mr. RHUDY. Mr. Smith asked for several sales record cards, two of which are here in Washington, I believe. Shall I give those to you, Mr. Smith?

Mr. RICE. Yes, go ahead.

Mr. RHUDY. They are the cards.

Mr. DORSEY. You want the cards?

Mr. RICE. What are those?

Mr. RHUDY. The M. S. Ginn Co.

Mr. RICE. M. S. Ginn?

Mr. RHUDY. Company, yes, sir.

Mr. RICE. How many have you sold to M. S. Ginn in recent years?

Mr. RHUDY. In recent years, that would be—this is only an order by order basis. I don't have it—

Mr. RICE. We have it summarized. The figures that are contained on the card for M. S. Ginn were for the years 1947, 147,000 K books; 1948, 220,000 K books; 1949, 187,500 K books; 1950, 188,500; and for the first 6 months of this year, 62,500.

We figured out that over that 4-year period there had been, figuring that there were 50 tickets to a book, if they were used for numbers, it would amount to some 94,000,000 plays on the numbers.

Mr. RHUDY. I wouldn't—

Mr. RICE. A figure between 2 and 4 million dollars per year in plays on that if you figure 25 cents a play, which is a figure that the Internal Revenue Bureau says is the average play on a number. I know you have no information on that.

Mr. RHUDY. No, sir; I do not.

Mr. RICE. Now, will you tell us some of the major purchasers in Philadelphia?

Mr. RHUDY. Yes, sir. We have two distributors in Philadelphia, one is J. Kinderman.

Mr. RICE. John Kinderman Sons, 131 Market Street?

Mr. RHUDY. That is right.

Mr. RICE. They have hundreds of thousands of purchases too?

Mr. RHUDY. And then Joseph Koenig.

Mr. RICE. In Philadelphia?

Mr. RHUDY. Yes, sir.

Mr. RICE. How about Detroit?

Mr. RHUDY. Well, we have the Liberty News Co. out there, wholesale stationers, wholesale paper dealer.

Mr. RICE. Are they also substantial purchasers?

Mr. RHUDY. Yes; I would say so.

Mr. RICE. Who are some of the purchasers in Baltimore?

Mr. RHUDY. Well, the only one that we sell in Baltimore is Emmett Vogel, who has a stationery store, our representative there, our district manager.

Mr. RICE. 701 North Howard?

Mr. RHUDY. Yes.

Mr. RICE. I see in 1950, 518,100 K books were sold to him.

Mr. RHUDY. Mr. Smith copied the records; I assume that is right.

Mr. RICE. I have the few more we might use for the record, Mr. Chairman. I will read them off.

The CHAIRMAN. I think as we go along it ought to be noted there is no improper inference to be drawn from the fact that a certain legitimate dealer bought a certain number of books, because I know in the case of Mr. Vogel, to whom you just referred, he is a very reputable and splendid citizen.

Mr. RHUDY. Every one I mentioned, we wouldn't deal with them if they weren't.

The CHAIRMAN. I didn't want to have it thought that by reason of the mention of the name, that there was anything that might indicate any illegal or irregular use of the book necessarily.

Mr. RHUDY. Thank you, sir. Emmett handles 30 or 40 different styles of books and sells them over the counter like any other stationer.

Senator KEFAUVER. Let's get on with this.

Mr. RICE. I see that L. W. Hargett, down in Phoenix City, Ala., was sold 10,000 K books on July 16, 1951.

Mr. RHUDY. That was an error. I found out, after Mr. Smith left that L. W. Hargett was the name of a customer of a dealer in Columbus, Ga., named Leon Wolfson.

Mr. RICE. None was sold to Hargett?

Mr. RHUDY. The books were sold to Leon B. Wolfson, who apparently in turn sent the order in, and the books were shipped to Hargett.

Mr. RICE. The books were shipped to Hargett but were purchased by Wolfson? But they were sent to Phoenix City?

Mr. RHUDY. Yes, sir.

Mr. RICE. Columbus Sales Book, Columbus, Ohio, ordered 12,500.. Otto Solomon, Kingston, N. Y., bought 500 that day.

Mr. RHUDY. Yes, sir.

Mr. RICE. Glen Orrel Paper Co. of Cleveland, 10,000 K books.

Mr. RHUDY. That was an error, sir. That shouldn't have been a K book. That was a restaurant check. However, we have——

Mr. RICE. We will delete that from the record.

Mr. RHUDY. That is a mistake.

Senator KEFAUVER. The only point in this testimony is that these books might be used for bookmaking; they might be used for a hundred other things. I support the great number sold would indicate that there are a great many used for bookmaking. Is that the point?

Mr. RICE. Yes, Senator. I think those familiar with law enforcement recognize that type of slip is found in tremendous quantities in every raid in numbers places. There has been testimony by experts to that effect.

Mr. RHUDY. That is the cheapest triplicate book on the market. As a matter of fact, it sells for less than some of the duplicate books we sell through the variety stores.

Mr. RICE. What does that retail for?

Mr. RHUDY. Five cents.

Mr. RICE. Five cents?

Mr. RHUDY. Yes, sir.

Mr. RICE. It might be interesting to note for the record that on the day that our staff member was over in Baltimore at the company, a number of cases were sold for Washington, I believe, to Sidney H. Klein. Sidney's Variety, 1808 Seventh Street NW., Washington. I think he took 10 cases.

Shortly after that, one of our staff members went to Klein's store on Seventh Street and asked for K books and bought two for a quarter.

Mr. RHUDY. Is that so?

Mr. RICE. The price had gone up over here in contrast to the narcotics situation.

Mr. RHUDY. I am sorry I can't make a comparable wholesale price.

Senator KEFAUVER. This is very interesting, but I don't think we can place any inference that these books that have been mentioned here were necessarily for any illegal purpose. They seem to be sold to book stores and anybody can come in and buy them if they want to for any purpose. So I think that will be all on that.

Is there something else you want to ask this witness?

Mr. RICE. No, sir.

Senator KEFAUVER. That is all. Thank you, sir.

Mr. RHUDY. Thank you.

Senator KEFAUVER. Call your next witness, please.

Mr. RICE. Waldo Roberts.

Senator KEFAUVER. Mr. Roberts, do you swear the testimony you give the committee will be the whole truth, so help you God?

Mr. ROBERTS. Yes.

Senator KEFAUVER. All right, let's get to the questions.

TESTIMONY OF WALDO ROBERTS, ARLINGTON, VA.

Mr. RICE. Where do you live, Mr. Roberts?

Mr. ROBERTS. 3722 South Third Street, Arlington, Va.

Mr. RICE. In Virginia?

Mr. ROBERTS. Yes, sir.

Mr. RICE. And what is your business?

Mr. ROBERTS. I am a driver-salesman for Embassy Dairy in Washington.

Mr. RICE. You are a driver for the Embassy Dairy. How long have you been doing that, Mr. Roberts?

Mr. ROBERTS. Since August 19, last year.

Mr. RICE. 1950?

Mr. ROBERTS. Yes, sir.

Mr. RICE. And during the war were you in the service?

Mr. ROBERTS. I spent from the 8th of June 1940, to the 12th of January 1950, in the Marine Corps.

Mr. RICE. In the Marine Corps until what year?

Mr. ROBERTS. January 12, 1950.

Mr. RICE. You were in until January 12, 1950?

Mr. ROBERTS. Yes.

Mr. RICE. Now, upon your discharge from the Marine Corps, what did you do?

Mr. ROBERTS. I come out of the Marine Corps and went to work, I believe it was in February, for Pioneer Laundry, drove a laundry truck.

The CHAIRMAN. While you are on the stand may I ask you to keep your voice up. Anybody with that fine physique can talk louder, I know. When you drop your voice nobody can hear.

Mr. ROBERTS. Do you want me to repeat the question?

The CHAIRMAN. Yes.

Mr. ROBERTS. I went to work for Pioneer Laundry and drove a laundry truck until August, when I quit and went to work for Embassy Dairy.

Mr. RICE. During that time did you become familiar with numbers operations?

Mr. ROBERTS. Yes; I did.

Mr. RICE. Tell us about that from the beginning.

Mr. ROBERTS. Well, in 1944, right after I got married, I was living at my brother-in-law's, and we went to a party, my wife and I, to a Mr. Lee's house. He was a pick-up man.

Mr. RICE. Who?

Mr. ROBERTS. Mr. Lee; Blight Lee. He was a pick-up man.

Mr. RICE. Yes.

Mr. ROBERTS. In 1944, up until July of 1950 I was a personal acquaintance of his, and he offered me a proposition of taking over his route on a commission basis.

Senator KEFAUVER. Where is Mr. Lee now?

Mr. ROBERTS. I believe he is living in Maryland. I haven't had any contact with him since July, last year.

Senator KEFAUVER. I will ask the staff to notify Mr. Lee of the testimony of this witness and invite him to come if he can be found.

Mr. RICE. Where did you say he lives?

Mr. ROBERTS. He at that time was living at 2700 South June Street, in Arlington. Where he is living now I don't know.

Mr. RICE. You say he interested you in a numbers proposition?

Mr. ROBERTS. We talked about it. I played numbers here in Washington, and we talked about it more or less, and he offered me a propo-

sition of taking over his route—he wanted to stop picking up numbers—and taking it over, and he would start me at \$60 a week to begin with until after I had learned it, and then he would give me the commission, and he would just take the kick-back on it.

Mr. RICE. Did you do that?

Mr. ROBERTS. No; I didn't.

Mr. RICE. During the time that you were negotiating with him did you go around with him?

Mr. ROBERTS. Yes; I went with him once.

Mr. RICE. What did you see?

Mr. ROBERTS. I saw him pick up—first we went to this house in northeast and picked up the ribbons.

Mr. RICE. Do you know where that was?

Mr. ROBERTS. I know where the house is. I don't know the address of the house. I can take you to the house.

Mr. RICE. Do you know the street?

Mr. ROBERTS. No, sir; but I can still take you to the house.

Mr. RICE. When was that?

Mr. ROBERTS. 1949.

Mr. RICE. You went with him in his car?

Mr. ROBERTS. Yes, we did, in a Packard, 1947 Packard.

Mr. RICE. You went to the house and what happened?

Mr. ROBERTS. He went in the house, I stayed out in the car and waited for him, and he came out with the bag of ribbons, the tape.

Mr. RICE. The ribbons?

Mr. ROBERTS. The tapes on the play.

Mr. RICE. That is adding-machine tape?

Mr. ROBERTS. That is right. Then we went to this colored person's house and there he had three or four bags that was in a drawer, and he had met—another fellow came in there, a colored man that was working for him at the time.

Mr. RICE. Where was that house, Mr. Roberts?

Mr. ROBERTS. I can show you that house, too, but I can't tell you the address.

Mr. RICE. Is that northeast, too?

Mr. ROBERTS. Yes, sir.

Mr. RICE. Then what happened? What did he tell you these bags were?

Mr. ROBERTS. I seen him. He opened them up and took out the ribbons on them, the sheets for the hits, and what-have-you. The bags in the drawer, he settled the ribbons, squared them off, which way they went, and what money went in them bags and what money didn't, what they owed him, put them back in the drawer.

Then he give the colored fellow a flock of ribbons and then we went from there to another house. We went in this house, in the basement, and eventually the colored fellow came in and joined us, and they settled up the money and squared up the ribbons.

Mr. RICE. Then what happened?

Mr. ROBERTS. Then we went home.

Mr. RICE. Do you know the address of any of those places?

Mr. ROBERTS. No; but I know the houses.

Mr. RICE. Who was Blight Lee working for, if you know?

Mr. ROBERTS. He told me he was working for Charlie Nelson.

Senator KEFAUVER. Unless you know some other way, I don't think we should pursue that. Is Mr. Nelson here?

Mr. NELSON. I am.

Senator KEFAUVER. You are here and you will have your opportunity of talking immediately after Mr. Roberts.

Mr. RICE. What did Blight Lee tell you about his operation, who he was working for?

Mr. ROBERTS. He told me he worked for a Charlie Nelson.

Mr. RICE. What did he say about that?

Mr. ROBERTS. Well, that he had worked for him for the past 15 years or so.

Mr. RICE. Did you ever meet Nelson?

Mr. ROBERTS. No, sir; I didn't.

Mr. RICE. Do you know who he is?

Mr. ROBERTS. No, sir; I don't.

Mr. RICE. Did he tell you who he is?

Mr. ROBERTS. Yes, sir. He told me he was his backer.

Mr. RICE. Did he tell you where he lived?

Mr. ROBERTS. North Beach is all he ever told me. Said he owned property there.

Mr. RICE. North Beach, Md.?

Mr. ROBERTS. Yes, sir.

Mr. RICE. At North Beach, Md. Did he tell you whereabouts in North Beach, Md.?

Mr. ROBERTS. No, sir.

Mr. RICE. Were you with him at any time he contacted Nelson?

Mr. ROBERTS. No; he was going to take me over to Mr. Nelson to meet him a couple of times, but something some way or some other, we didn't go.

Mr. RICE. He was attempting to interest you in taking over his route, is that the idea?

Mr. ROBERTS. We discussed it many times; yes, sir.

Mr. RICE. Did he discuss how you were to keep from being locked up if you took over?

Mr. ROBERTS. Well, he said I would be furnished with protection, that bondsmen and everything necessary, if I did get picked up, would be furnished.

Senator KEFAUVER. I think we have had enough of this. Mr. Lee is not here, and he is telling what Mr. Lee said. Unless we have got something direct, let's not ask any more questions.

Suppose you stand aside.

Come around, Mr. Nelson.

Mr. Nelson, do you swear the testimony you give the committee will be the whole truth, so help you God?

Mr. NELSON. I do.

TESTIMONY OF CHARLES E. NELSON, RITCHIE, MD.

Senator KEFAUVER. Ask him whether he did business with Mr. Lee.

Mr. RICE. Where do you live, Mr. Nelson?

Mr. NELSON. Sir?

Mr. RICE. Where do you live?

Mr. NELSON. Ritchie, Md.

Mr. RICE, Ritchie, Md. What is your address, your post-office address?

Mr. NELSON. Washington 19, D. C.

Mr. RICE. Just Washington 19?

Mr. NELSON. You mean the mailing address?

Mr. RICE. Yes.

Mr. NELSON. It is a peculiar situation. You probably don't understand. The post office is in the District, but we actually live in Maryland. Is that what confuses you?

Mr. RICE. I could address you at Ritchie, Md.?

Mr. NELSON. No; Washington 19, D. C.

Mr. RICE. If someone were to write a letter to you, what would they put on the envelope?

Mr. NELSON. If they just put my name and Washington 19, D. C., I get the letter. We live in a rural area on a farm.

Senator KEFAUVER. You live in Ritchie, Md.?

Mr. NELSON. That is right.

Mr. RICE. What business are you in?

Mr. NELSON. President of North Beach Amusement Co., and I am a farmer.

Mr. RICE. You are a farmer and president of North Beach Amusement Co.?

Mr. NELSON. That is right; raise purebred stock, including race horses, running horses.

Mr. RICE. Do you own the race horses?

Mr. NELSON. How is that?

Mr. RICE. Do you own the race horses? Do you own the race horses?

Mr. NELSON. I raise race horses. I have to own them to raise them.

Mr. RICE. Are you licensed to race horses?

Mr. NELSON. Yes; I have three. I think it is, horses that are at the race track.

Mr. RICE. Do you have any at the present time? Are you licensed to race horses in any States?

Mr. NELSON. At the present time?

Mr. RICE. Yes.

Mr. NELSON. I imagine in Atlantic City, yes, now at the present time, or should be.

Mr. RICE. How about in Maryland?

Mr. NELSON. I have raced horses in Maryland.

Mr. RICE. How recently?

Mr. NELSON. Last spring, I guess.

Mr. RICE. In the spring of 1951?

Mr. NELSON. Yes; I think I had a horse or two at the race track in the spring.

Mr. RICE. So you were licensed this year, you are licensed this year, 1951, to race in Maryland?

Mr. NELSON. How is that?

Mr. RICE. You are licensed this year, 1951, to race in Maryland?

Mr. NELSON. I am not certain that I was, but I assume that I was.

Mr. RICE. Did you ever hear of License No. 6841, issued April 20, 1951, to Charles Nelson, White House Road, 6868 White House Road?

Mr. NELSON. What is that?

Mr. RICE. You live at 6868 White House Road?

Mr. NELSON. That is the number known as 6868 where I live; yes.

Mr. RICE. I have here a record of a racing license in Maryland issued April 20, 1951, No. 6841, for Charles E. Nelson. Is that you?

Mr. NELSON. I would assume that is me. I am not certain of it. It could very easily be me. I imagine it is.

Mr. RICE. All right, sir. Tell us a little bit about this North Beach Amusement Co. What are the officers of that company?

Mr. NELSON. The officers?

Mr. RICE. Yes.

Mr. NELSON. Myself, Mrs. Nelson, Mr. Samuel R. Huey, and Charles E., Junior.

Mr. RICE. I didn't hear the last two names.

Mr. NELSON. Charles E., Junior. You said you didn't hear the names?

Mr. RICE. No. I heard you and your wife. That is all I heard.

Mr. NELSON. You want me to repeat the names?

Mr. RICE. Yes.

Mr. NELSON. Myself and Mrs. Nelson, Charles E., Junior.

Mr. RICE. Charles E. Nelson, Junior?

Mr. NELSON. Yes, sir.

Mr. RICE. Your son?

Mr. NELSON. That is right. You said my son?

Mr. RICE. Yes.

Mr. NELSON. That is right. And Mr. Samuel R. Huey.

Mr. RICE. How do you spell that?

Mr. NELSON. I think Mr. Huey spells his name H-u-e-y, I believe it is.

Mr. RICE. Where does he live?

Mr. NELSON. He lives out in northwest some place, darned if I know. I know his telephone number. I never had occasion to go out there.

Mr. RICE. What is his telephone number?

Mr. NELSON. Woodley 3886, I think it is. I am not certain.

Mr. RICE. What business does the North Beach Amusement Co. do? What is your line of business? What business is it, the North Beach Amusement Co.?

Mr. NELSON. What business is it?

Mr. RICE. Yes. Tell us about your business. What sort of business do you do?

Mr. NELSON. You mean operation of the company?

Mr. RICE. Yes.

Mr. NELSON. Well, we run a lunchroom, a bar, arcade, bingo.

Mr. RICE. Where is that?

Mr. NELSON. Concession stands.

Mr. RICE. Where is it? Where is it? Is that Uncle Billy's?

Mr. NELSON. Uncle Billy's.

Mr. RICE. Do they have slot machines there?

Mr. NELSON. Yes, arcade.

Mr. RICE. How long has it been since you have had slot machines there?

Mr. NELSON. We have had slot machines there for the past 2 or 3 years or maybe a little longer.

Mr. RICE. You have had them for the last 5 or 6 years, haven't you?

Mr. NELSON. I don't recall, I wouldn't say that we have. We put the slot machines in there when they were licensed.

Mr. RICE. How about before they were licensed?

Mr. NELSON. I don't recall having any machines before they were licensed.

Mr. RICE. You can't remember that, can you?

Mr. NELSON. I don't recall having any before they were licensed. Is that what—

Mr. RICE. Is it possible you had some before they were licensed?

Mr. NELSON. I hardly think so.

Mr. RICE. I beg your pardon?

Mr. NELSON. What did you say?

Mr. RICE. I asked you if it is possible you had some before they were licensed.

Mr. NELSON. I hardly think so.

Mr. RICE. You hardly think so?

Senator KEFAUVER. Is this Uncle Billy's in Maryland?

Mr. NELSON. Yes, sir.

Mr. RICE. What other business do you have? Do you have any other companies?

Mr. NELSON. No.

Mr. RICE. How about the Nowland Co?

Mr. NELSON. I have no interest in the Nowland Co., know nothing about Nowland Co.

Mr. RICE. You have no interest in the Nowland Co?

Mr. NELSON. I don't know of any Nowland Co.

Mr. RICE. You don't know of any. Did you ever have an interest in the Nowland Co?

Mr. NELSON. Not to my knowledge.

Mr. RICE. Did you ever hear of Robert Nowland and Associates?

Mr. NELSON. Yes; I have heard of Robert Nowland.

Mr. RICE. What is that?

Mr. NELSON. What is it?

Mr. RICE. Yes.

Mr. NELSON. Really, I don't know what it is.

Mr. RICE. Do you have any interest in it?

Mr. NELSON. I have no interest in it at all.

Mr. RICE. Have you ever had an interest in it?

Mr. NELSON. Yes, I have.

Mr. RICE. When was that?

Mr. NELSON. That has been a number of years ago.

Mr. RICE. How many years ago?

Mr. NELSON. Probably 10, 7 or 8.

Mr. RICE. Have you had any interest in the Nowland Co. in the past 10 years?

Mr. NELSON. When you say interest—

Mr. RICE. Yes. Have you received any money from it?

Mr. NELSON. What was it you wanted to know?

Mr. RICE. Have you received any money from the Robert Nowland and Associates Co. in the last 10 years?

Mr. NELSON. I probably have.

Mr. RICE. Well, let's get a little bit definite about that and see what you have.

Mr. NELSON. If you knew Mr. Nowland and knew how hard he was to get money out of, even if he owed you some money—I don't mean any—then you could understand what I mean.

Mr. RICE. Well, you must have worked mighty hard there for a while, because I see in 1947 that you took some \$19,000 out of the Robert Nowland Associates.

Mr. NELSON. You said I worked mighty hard?

Mr. RICE. On him, yes. Now tell us about that. Let's be a little bit frank here and tell us what Robert Nowland Associates is.

Mr. NELSON. I really wouldn't know.

Mr. RICE. You have been getting money from it for the last 5 or 10 years. Tell us what it is.

Mr. NELSON. The only thing, I don't have any way of telling. I wasn't actively engaged in the thing. All I done was—

The CHAIRMAN. Let me ask you a question. Is it not a fact that you have been receiving large sums of money from this concern and have been paying income taxes on it?

Mr. NELSON. Well, if—

The CHAIRMAN. Just answer yes or no.

Mr. NELSON. Whatever is on the income tax.

The CHAIRMAN. You are the witness, sworn to tell the truth. Did you or did you not?

Mr. NELSON. Did I or did I not what?

The CHAIRMAN. Pay income taxes on large sums of money received from this concern.

Mr. NELSON. I always pay income taxes on whatever money I receive.

The CHAIRMAN. Then don't try to tell us that you don't know when you received the money and paid income taxes on it. Now you are a pretty smart man, and we don't think—

Mr. NELSON. I am not trying to make you believe I don't want to cooperate.

The CHAIRMAN. Why don't you tell us frankly then what you know?

Mr. NELSON. Sir?

The CHAIRMAN. Why don't you tell us frankly what you know instead of letting us try to—instead of trying to conceal the facts and make it look like you don't know what this is all about?

Mr. NELSON. After you have talked with me a while, maybe you will have a different opinion of me. You will find that I will try to cooperate.

The CHAIRMAN. Then suppose you tell us what the concern is and what you received from it?

Mr. NELSON. What I received from Nowland Associates?

The CHAIRMAN. Yes.

Mr. NELSON. I don't remember honestly, I don't remember.

Mr. RICE. What type of business is it?

Mr. NELSON. I really don't know. I was never actively engaged in it in any way.

Mr. RICE. How did you get into it?

Mr. NELSON. I furnished the money.

Mr. RICE. You furnished the money. How much money did you furnish?

Mr. NELSON. I don't know about that.

Mr. RICE. Approximately.

Mr. NELSON. Well, that would alternate from time to time, and I, just to take it right out of my head, it is next to an impossible thing to do.

Mr. RICE. Was it five dollars or a hundred thousand dollars.

Mr. NELSON. My goodness, not a hundred thousand dollars.

The CHAIRMAN. How much was it?

Mr. NELSON. I really—it may have been—let's put it this way. Maybe I can better answer your question this way: It may have been as much as five thousand or it may have been as much as twenty at different times.

Mr. RICE. What were you putting the money up for?

Mr. NELSON. For the business to be operated on.

Mr. RICE. What business?

Mr. NELSON. Weren't you talking about Nowland?

Mr. RICE. Yes; and you said for the business to be operated. What sort of business?

Mr. NELSON. I never discussed that with him at all.

Mr. RICE. Now, let's see. You say you put up as much as \$20,000 with whom?

Mr. NELSON. You asked me what my connection was with the business, and I said I furnished the money.

Mr. RICE. Tell us all about it, how you got into it, what you were doing, what you put up, and what your situation was there.

Mr. NELSON. That is all I know about it.

Mr. RICE. You know a lot more about it than that. Who is Mr. Nowland?

Mr. NELSON. Who is who?

Mr. RICE. Mr. Nowland.

Mr. NELSON. Who is Mr. Nowland?

Mr. RICE. Yes.

Mr. NELSON. Mr. Nowland——

Mr. RICE. Robert Nowland.

Mr. NELSON. You asked me who is Mr. Nowland?

Mr. RICE. Yes.

Mr. NELSON. I don't mean to be impertinent, but he is Mr. Nowland.

Senator KEFAUVER. Mr. Nelson, we have got to get along better here. We want to know what was your transaction with Mr. Nowland. When did you start doing business with him? What was this operation that you put the money into? You know about it and you might as well tell us about it.

Mr. NELSON. The man said he had a way he could make some money, and I put up the money, and go ahead and make some money, and he split it with me, which was all right with me.

Senator KEFAUVER. What was the way you were going to make the money?

Mr. NELSON. I never discussed that with him.

Senator KEFAUVER. Now, Mr. Nelson, you wouldn't put up \$20,000 or \$5,000 and not know what the business is going to be, would you? Would you put up money like that and not know what the business was going to be?

Mr. NELSON. You say did I put up money?

Senator KEFAUVER. I say it is not natural that you would put up big sums of money to a man and not know what he was going to do with it.

Mr. NELSON. I don't understand what you want. I am sorry, but I just don't understand.

Senator KEFAUVER. You understand, Mr. Nelson, but you don't want to act like you do.

Mr. NELSON. I am sorry you feel that way. I am trying to——

Senator KEFAUVER. What did you say and what did Mr. Nowland say?

Mr. NELSON. What did Mr. Nowland say?

Senator KEFAUVER. Yes, when you put up the money and got half the profit back.

Mr. NELSON. I worked with Mr. Nowland probably some 35 years ago, and I always felt at that time like he was a nice little fellow, and I wanted to see him do well and make a little money if he could.

The CHAIRMAN. Let me say this to the witness: Our records show that you received \$180,000 in 4 years as your half of this business operation, which would represent \$360,000 in that time, and it was in full a \$6 million operation.

Now what do you want to say about it? You heard me. Don't ask me to repeat it. You heard me.

Mr. NELSON. I don't have anything to say about it.

Senator KEFAUVER. Is that substantially the size of the operation?

Mr. NELSON. I really don't know.

Senator KEFAUVER. Did you get \$180,000?

Mr. NELSON. I couldn't say that I did and I wouldn't say that I didn't.

The CHAIRMAN. You don't deny it?

Mr. NELSON. No; I wouldn't deny it because I am not sure.

The CHAIRMAN. And if you received \$180,000, do you want us to believe that you don't know where it came from and what kind of business was operated in order to pay you \$180,000?

If you want us to believe it, you are absolutely mistaken, because no sensible man would believe it, and it is an insult to the intelligence of the committee for you to come here and think that you could get away with it.

Mr. NELSON. I agree with you it is an embarrassing thing.

The CHAIRMAN. Why don't you tell us the truth?

Mr. NELSON. I am trying to tell you the truth.

The CHAIRMAN. You haven't tried so far. You have been a very uncooperative witness and we do not believe you are telling us the truth.

Mr. NELSON. I am sorry. What I told you is the best of my ability.

The CHAIRMAN. Why don't you come forward and tell the facts?

Mr. NELSON. I don't know what I can tell you.

Senator KEFAUVER. Where is the headquarters of the Nowland Co.? Does it have an office somewhere? Where was the office of the business you got \$180,000 from?

Mr. NELSON. Uncle Billy's office?

Senator KEFAUVER. Yes, the office.

Mr. NELSON. You are talking about Uncle Billy's, or are you talking about Nowland?

Senator KEFAUVER. I am talking about Nowland.

MR. NELSON. I don't know where Nowland's office is.

Senator KEFAUVER. Does he have an office?

MR. NELSON. I don't know.

Senator KEFAUVER. How did you get paid this big amount of money? Was it paid by check?

MR. NELSON. Sir?

Senator KEFAUVER. Did he pay you by check or did he pay you by cash?

MR. NELSON. Check? What check?

Senator KEFAUVER. I asked you—the record shows you got \$180,000 out of this Nowland and Associates in 4 years. Did he pay you by cash or did he give you a check for your share?

MR. NELSON. Cash.

Senator KEFAUVER. Cash?

MR. NELSON. What money I received from him I got in cash.

Senator KEFAUVER. Did he come to your house to pay you or did you go to his house?

MR. NELSON. He brought it to me.

Senator KEFAUVER. How often would he bring it to you?

MR. NELSON. Just whenever it suited him.

Senator KEFAUVER. Once a week or one a month?

MR. NELSON. No, sometimes once a year, once every 6 months, he would bring me a little money.

Senator KEFAUVER. How much would the amount be that he would bring to you?

MR. NELSON. They would vary.

Senator KEFAUVER. What would be the biggest amount, we will say?

MR. NELSON. The biggest amount that I can recall was probably around \$15,000.

Senator KEFAUVER. And when he brought it to you, what did he say?

MR. NELSON. Told me, "Here is your end."

Senator KEFAUVER. Here is your half?

MR. NELSON. Your end.

Senator KEFAUVER. Did you ask him how he got so much money for you?

MR. NELSON. I was kind of tickled to get the money and not have to work for it, to tell you the truth.

Senator KEFAUVER. What is that?

MR. NELSON. I was kind of tickled to get that much money and not work for it.

Senator KEFAUVER. He might have been stealing it for all you know, and you wouldn't want to get stolen property, would you?

MR. NELSON. Did you say I stole it?

Senator KEFAUVER. When you discussed with him about how business was so good, what would you talk about?

MR. NELSON. When I done what?

Senator KEFAUVER. You ask him, Mr. Rice.

MR. RICE. Frankly, I think his attitude is contemptuous, Senator, and I think he should be at least instructed that the law is to the effect that if a witness knows the answer to the question he can be cited for contempt or perjury just the same as if he refuses to answer if he

knows the answer and says he does not know. Do you understand that?

Mr. NELSON. You say——

Mr. RICE. If you know the answer to the question——

Mr. NELSON. Know the answer to the question——

Mr. RICE (continuing). And you say you don't know, it is possible that you might be cited for contempt of the Senate.

Mr. NELSON. You—I haven't told you—I think this is what you mean. I haven't told you I didn't know about any question I did know about.

Mr. RICE. Let's go back into it. What business does the Robert Nowland Associates engage in?

Mr. NELSON. What business?

Mr. RICE. Yes.

Mr. NELSON. To say I actually know, I couldn't say.

Mr. RICE. I beg your pardon?

Mr. NELSON. For me to actually know, I couldn't say. You asked me what business Nowland Associates was in, wasn't that it?

Mr. RICE. Yes.

Mr. NELSON. I really don't know.

Mr. RICE. You really don't know?

Mr. NELSON. I couldn't say, because I don't know.

Mr. RICE. You really don't know, is that the answer?

Mr. NELSON. I don't know what business Nowland Associates is in.

Mr. RICE. That is an answer and if you do know, it is possible that you have perjured yourself.

Mr. NELSON. That is right.

Mr. RICE. And that you may be cited for contempt. You understand that?

Mr. NELSON. That is right.

Mr. RICE. What did he tell you the business was? What did Nowland tell you the business was he was getting this money from?

Mr. NELSON. Nowland never told me.

Mr. RICE. Did he tell you he was robbing banks?

Mr. NELSON. Everybody knows I don't have anything to do with any robbery.

Mr. RICE. If you don't know what it was, it is possible he could be robbing banks: isn't it?

Mr. NELSON. It is possible it could have been; yes. I can tell you what I think it was.

The CHAIRMAN. What do you think it was?

Mr. NELSON. I think it was gambling.

The CHAIRMAN. Yes, and you have taken about half an hour to tell what those of us knew and what you could have told us in the first 10 minutes. Why did you think it was gambling? What made you think that?

Mr. NELSON. Sums of money like—you asked me why I think it was gambling?

The CHAIRMAN. Yes.

Mr. NELSON. Sums of money like that would have to come from some source of that kind. It is just not——

The CHAIRMAN. What else was there about your handling of the matter with him to make you think it was gambling? What else besides that?

MR. NELSON. Well, I don't—if there is anything else, I don't know what it could have been.

MR. RICE. What sort of gambling did you think it was?

MR. NELSON. I had an idea it was the numbers.

MR. RICE. The numbers. And what were your ideas about where this numbers game was going on; what area?

MR. NELSON. What—

MR. RICE. Were they picking numbers up in Washington, Virginia, Maryland, or where?

MR. NELSON. I imagine they were Maryland, all Maryland people.

MR. RICE. All Maryland people?

MR. NELSON. I imagine.

MR. RICE. Did you hear some testimony this morning from a man by the name of Roberts that a fellow by the name of Blight Lee was working for Charley Nelson picking up numbers in Washington? Did you hear that?

MR. NELSON. A man by the name of Blight Lee is working for Charley Nelson picking up numbers in Washington—is that what you asked me?

MR. RICE. Yes.

MR. NELSON. You ask me did he?

MR. RICE. I am asking if you heard that.

MR. NELSON. You mean here?

MR. RICE. Yes.

MR. NELSON. Yes.

MR. RICE. You heard that. What do you have to say to that?

MR. NELSON. Well, sir, I say that it is a lie.

MR. RICE. It is a good statement.

MR. NELSON. And that man knows it, and he knows why he sat here and said that also.

MR. RICE. Why is that?

MR. NELSON. I take it that you are a Senator.

MR. RICE. No; not yet.

MR. NELSON. I hope some day you will be. Let's put it this way: I take it that you read the newspapers. This is purely and simply a grudge thing, the whole thing, over a hold-up case that happened over in Virginia.

MR. RICE. All right, sir.

MR. NELSON. Is that what you wanted to know?

MR. RICE. I want to know if you know Blight Lee.

MR. NELSON. I do know Blight Lee.

MR. RICE. Has he ever worked for you?

MR. NELSON. Yes; I think he did.

MR. RICE. What doing?

MR. NELSON. I think he helped me around the beach there several times down at Uncle Billy's.

MR. RICE. What was he doing down at Uncle Billy's?

MR. NELSON. What was he doing?

MR. RICE. Yes.

MR. NELSON. Just helping me in general, running wheels and helping me all around the place.

MR. RICE. Helping with the slot machines and wheels?

MR. NELSON. Sort of assistant to the manager.

MR. RICE. Did he ever help you with the numbers?

Mr. NELSON. There is no numbers at Uncle Billy's.

Mr. RICE. Let's talk about everywhere. Did he ever help you anywhere in the numbers, Blight Lee?

Mr. NELSON. Not to my knowledge. Blight Lee never turned a number in to me in his life.

Mr. RICE. Let's not talk about turning in. Has he ever had any connection with the numbers for you?

Mr. NELSON. Has he ever—

Mr. RICE. Has he ever worked for you or assisted you or been associated with you in any connection with the numbers?

Mr. NELSON. Mr. Lee and I are very close friends.

Mr. RICE. Yes.

Mr. NELSON. He comes to my house and I go to his house occasionally and have dinner.

Mr. RICE. Yes. What does he bring when he comes to your house?

Mr. NELSON. Well, sir, at Christmastime he brought a cord of oak wood.

Mr. RICE. Did he ever bring any run-down sheets, any ticker tape, any adding-machine tape?

Mr. NELSON. Never saw Mr. Lee bring any—

Mr. RICE. Bring any money?

Mr. NELSON. Never had him bring any money.

Mr. RICE. Never brought any money to your house?

Mr. NELSON. No.

Mr. RICE. You are sure about that?

Mr. NELSON. I am sure about that.

Mr. RICE. Suppose he said differently?

Mr. NELSON. If he says differently—

Mr. RICE. He is lying?

Mr. NELSON. I wouldn't say Mr. Lee would lie. He is a very high-type little fellow.

Mr. RICE. Anything you are shown you will believe; is that the idea?

Mr. NELSON. If I made an error and it develops that he has brought me money for something, it is because I don't recall it; and, if he has, I will readily admit it and explain it.

Mr. RICE. That is very magnanimous?

Now, let me read you some figures and see if these sound correct to you. In some years you make out your taxes jointly with your wife. Her name is Virginia; is that right?

Mr. NELSON. That is right.

Mr. RICE. In the year 1948 you made out a joint return in which you reported that your share of the Nowland Associates proposition was \$49,936. Does that sound about right?

Mr. NELSON. Forty-nine thousand, you say?

Mr. RICE. Yes.

Mr. NELSON. What was it for?

Mr. RICE. From Robert Nowland Associates, you reported.

Mr. NELSON. I don't know. I am not as young as I used to be, and my mind is not as good as it used to be, and I just don't mean to be this way, but I am in a position where I can't help it. I would like to tell you, but I don't know.

Mr. RICE. Do you keep any books?

Mr. NELSON. We keep books for the farm and for Uncle Billy's.

Mr. RICE. Who keeps the books for you?

Mr. NELSON. I keep the books myself for the farm and Mr. Huey, the man that we referred to back sometime ago. He audits them for us.

Mr. RICE. He audits them. Who makes up your tax returns for you?

Mr. NELSON. I make up my tax returns.

Mr. RICE. You make up your own tax returns?

Mr. NELSON. Yes.

Mr. RICE. Do you have any help?

Mr. NELSON. Well, I don't generally need any, if I get such things as making up—you said "help," didn't you? To make up the return, is that what you want to know?

Mr. RICE. Yes.

Mr. NELSON. Such things as depreciation and setting up things like that, Mr. Huey generally does that for me.

Mr. RICE. Who takes care of your books for the Robert Nowland Associates?

Mr. NELSON. I really don't know.

Mr. RICE. How do you check up on your share?

Mr. NELSON. I didn't have any way of checking up. I didn't know what they were doing.

Mr. RICE. You are having us believe then you are satisfied with whatever Mr. Nowland turns over to you as your share?

Mr. NELSON. That was what I got. I don't know if that explains what you want to know or not. Whatever I got—

Senator KEFAUVER. Mr. Nelson, when Mr. Nowland would come and bring you \$5,000 or \$15,000, you would have to keep some record of how much he brought you. Where would you keep that record?

Mr. NELSON. We would just make a note of what we were taking in. It was kept—you want to know how we kept track of it; was that it?

Senator KEFAUVER. You made apparently forty-nine-some-odd thousand dollars in 1948 out of Nowland. Where would you put that down when he would bring you money?

Mr. NELSON. Just take a book and list what we took in and what the expenses against it, whatever it was, and then at the end of the year—it was kept on a cash basis.

Senator KEFAUVER. Did you keep that book or did he have the book?

Mr. NELSON. Who have what book?

Senator KEFAUVER. This book you are talking about.

Mr. NELSON. I am talking about what money he give me. I made a note of it.

Senator KEFAUVER. You made a note on the book. Where is that book?

Mr. NELSON. I don't know whether I still have them or not. I may have throwed them away. They are kept in separate years. You asked me where the book was; didn't you?

Senator KEFAUVER. That is right.

Mr. NELSON. They are kept in separate years, and I don't know—I will try to locate them for you, if it will be of any help.

Senator KEFAUVER. All right. You see if you can find the 1948 book, for instance. That would be very helpful.

Mr. NELSON. 1948?

Senator KEFAUVER. Yes. That is the year Mr. Rice was asking you about.

Mr. NELSON. Sir?

Senator KEFAUVER. That was the year he was asking you about when you said you made \$48,000 out of Nowland. That was your share. See if you can find that book; will you?

Mr. NELSON. For 1948?

Senator KEFAUVER. Yes.

Mr. NELSON. I will.

Senator KEFAUVER. All right, Mr. Rice.

Mr. RICE. Mr. Nelson, do you know a man by the name of Kent?

Mr. NELSON. Kent?

Mr. RICE. Yes; Mr. Perrin Kent.

Mr. NELSON. Not that I can recall, sir.

Mr. RICE. Not that you can recall?

Mr. NELSON. No.

Mr. RICE. Is Mr. Kent in the room?

Mr. KENT. Yes, sir.

Mr. RICE. Take a look back there and see if you recognize that man.

Mr. NELSON. The man standing?

Mr. RICE. Yes.

Mr. NELSON. I don't recall ever having seen him in my life.

Mr. RICE. Never saw that man?

Mr. NELSON. I don't recall it.

Mr. RICE. Are you pretty sure about that? Take a good look at him. Come on up here, Mr. Kent.

Mr. NELSON. I don't ever recall ever having seen this man.

Mr. RICE. You never saw him before?

Mr. NELSON. I don't recall it.

Mr. RICE. Thank you, Mr. Kent.

Mr. NELSON. Sir?

Mr. RICE. You never saw him before?

Mr. NELSON. You asked me if I saw him; if I know him?

Mr. RICE. If you know him.

Mr. NELSON. I don't recall this man.

Mr. RICE. Don't know him; don't recall him?

Mr. NELSON. Don't recall.

Mr. RICE. Did you ever telephone a man by the name of Kent?

Mr. NELSON. Telephone him?

Mr. RICE. Yes.

Mr. NELSON. I don't know the man.

Mr. RICE. Don't know the man?

Mr. NELSON. I don't know the man.

Mr. RICE. All right.

Mr. NELSON. If I do, I don't recall him.

Mr. RICE. When were you served with a subpoena by this committee or by the United States marshal?

Mr. NELSON. What?

Mr. RICE. When were you served with a subpoena by the United States marshal on behalf of this committee?

Mr. NELSON. To appear over here, you mean?

Mr. RICE. Yes.

Mr. NELSON. Yesterday.

Mr. RICE. What time?

Mr. NELSON. I judge it was around 3 o'clock or 4 o'clock.

Mr. RICE. Three or four o'clock in the afternoon?

Mr. NELSON. Might have been a little sooner or might have been a little later. I didn't look at the watch. I had been down in the back——

Mr. RICE. The return indicates that you were served at 3 o'clock. Where were you then?

Mr. NELSON. On the farm, working on the farm.

Mr. RICE. You were down on the farm then?

Mr. NELSON. Yes, sir.

Mr. RICE. All right.

Senator KEFAUVER. Is there anything else?

Mr. RICE. Do you know a man by the name of Heber McWilliams?

Mr. NELSON. Heber McWilliams?

Mr. RICE. Yes.

Mr. NELSON. I think I do; from North Beach, you mean?

Mr. RICE. Yes.

Mr. NELSON. North Beach, Md.?

Mr. RICE. Yes.

Mr. NELSON. I think I know who you are talking about; works in the navy yard, or did.

Mr. RICE. He works in Uncle Billy's, too; is that right?

Mr. NELSON. He did have a stand there, and I think he sold it this spring. We rented him a stand. You asked me what he done?

Mr. RICE. Yes.

Mr. NELSON. We rented him a stand, and he done the work there and had the rowboats and things of that kind, fishing tackle. That was his job in his spare time, I think, when he wasn't working at the navy yard. So far as I know, I don't know; I mean about the navy yard.

Mr. RICE. Was he ever on your payroll or on the payroll of the North Beach Amusement Co. or any of your enterprises?

Mr. NELSON. He could have been.

Mr. RICE. Yes. When was that?

Mr. NELSON. I really wouldn't know. I wouldn't say that he was and I wouldn't say that he wasn't. He could be. He could be now for all I know.

Mr. RICE. Yes; that is right. That covers a lot of ground. He could be now. If he was, what company would he be on? Would it be the North Beach Amusement Co. or Nowland?

Mr. NELSON. What——

Mr. RICE. What payroll is he on? What payroll would he be on?

Mr. NELSON. North Beach Amusement Co.

Mr. RICE. Is he a bartender there?

Mr. NELSON. I have never known him to tend bar.

Mr. RICE. In any event, he may have been on the payroll and may still be; is that the idea?

Mr. NELSON. He may.

Mr. RICE. He may?

Mr. NELSON. He may.

Mr. RICE. Did you ever telephone him? Did you ever telephone him?

Mr. NELSON. Heber McWilliams; do I phone him?

Mr. RICE. Yes.

Mr. NELSON. I haven't that I know of recently.

Mr. RICE. You haven't recently. Have you ever phoned him from your place here at Ritchie?

Mr. NELSON. I may have. I don't recall.

Mr. RICE. Where would you telephone to him?

Mr. NELSON. Where would I telephone him?

Mr. RICE. Yes.

Mr. NELSON. I have no occasion to call him.

Mr. RICE. Now, suppose there is a record that you telephoned to him. Where would you have called him?

Mr. NELSON. I would have had to call him at this home, I suppose.

Mr. RICE. That is the telephone North Beach 4451; isn't it?

Mr. NELSON. I don't know.

Mr. RICE. Your number is what, Jordan 8-9292?

Mr. NELSON. That is my telephone number.

Mr. RICE. That is your number?

Mr. NELSON. Yes.

Mr. RICE. You pay your bills for that number, and all telephone toll calls on that are yours; aren't they?

Mr. NELSON. You say I pay the bill at Jordan, telephone bill; is that what you say?

Mr. RICE. I am asking you.

Mr. NELSON. That is right; I have got to pay the bills.

Mr. RICE. That is your telephone?

Mr. NELSON. My telephone is Jordan 8-9292; that is right.

Mr. RICE. Now, in these telephone calls to Heber McWilliams, what do you talk about?

Mr. NELSON. God above only knows. I wouldn't have any idea what I talk to him about. I haven't any idea when I called him last.

Mr. RICE. Would you be talking about numbers?

Mr. NELSON. I could have been.

Mr. RICE. You could have been?

Mr. NELSON. But I don't think so.

Mr. RICE. I see where Heber McWilliams is calling your place, also calling Randolph 3707, nonpublished listing for Samuel R. Beard, 7400 Alaska Avenue NW. Do you know him?

Mr. NELSON. What?

Mr. RICE. Samuel R. Beard.

Mr. NELSON. Samuel Beard?

Mr. RICE. Yes.

Mr. NELSON. I think I know the man you are talking about, not very well acquainted with him, but I know him.

Mr. RICE. Do you have any business transactions with him?

Mr. NELSON. I call him once in a while, and he calls me; yes.

Mr. RICE. What business is he in?

Mr. NELSON. I really couldn't tell you about that, sir. Somebody told me onetime he was a pickle man or something.

Mr. RICE. When you called Beard or when he called you, do you talk about pickles?

Mr. NELSON. No.

Mr. RICE. What do you talk about?

Mr. NELSON. I don't remember what we talked about the last time we talked.

Mr. RICE. Do you talk about gambling?

Mr. NELSON. How is that?

Mr. RICE. Do you talk about gambling?

Mr. NELSON. I don't remember discussing any gambling in any form with Mr. Beard. I will tell you: Mr. Beard has only been at my place one time.

Mr. RICE. Yes.

Mr. NELSON. He come there to buy a bull, and I sold him a bull. That completes our knowing one another, as far as I am concerned.

Mr. RICE. You say that is your only business transaction with Beard, this bull session?

Mr. NELSON. That is the only business transaction I have ever had with Mr. Beard.

Mr. RICE. Will you tell this committee that you have had no transactions with Beard relating to numbers or gambling?

Mr. NELSON. Let me understand you now.

Mr. RICE. Yes.

Mr. NELSON. What is it you want to know?

Mr. RICE. Will you deny that you have had any transactions with Beard relating to numbers or gambling?

Mr. NELSON. No; I have never had any business with Sam Beard relating to anything other than this bull that I can recall.

Mr. RICE. That you can recall. But you said awhile ago your memory wasn't too good; didn't you?

Mr. NELSON. That is right. But I don't know what might pop up. Let's put it this way: I am certain I have never had any transaction with Beard in regard to gambling. You are talking about Sam Beard?

Mr. RICE. Sam Beard.

Mr. NELSON. I have heard of him.

Mr. RICE. All right. How do you account for these telephone calls? You weren't talking about the bull all the time.

Mr. NELSON. What telephone calls?

Mr. RICE. Between you and Beard that you told us you made.

Mr. NELSON. I don't know what they were. If I knew what they were, I would sure try to help you. They certainly weren't pertaining to any gambling.

Mr. RICE. They certainly weren't?

Mr. NELSON. Sir?

Mr. RICE. Have you ever heard of the P & N Amusement Co.?

Mr. NELSON. I sure have.

Mr. RICE. 5806 Central Avenue, Capitol Heights?

Mr. NELSON. That is right.

Mr. RICE. Do you have any interest in the P. & N. Amusement Co.?

Mr. NELSON. P. & N. Amusement Co.?

Mr. RICE. Yes.

Mr. NELSON. Yes.

Mr. RICE. What is that?

Mr. NELSON. That is a little partnership formed between Mr. Pumphrey and myself; and we placed machines, music boxes, cigarette machines, consoles, and such like on different locations.

Mr. RICE. Slot machines, did you say?

Mr. NELSON. No slot machines. I put up the money for this little business, and it is in Prince Georges County. There is no slot machine in Prince Georges County.

Mr. RICE. Where is the headquarters of the P. & N. Amusement Co.?

Mr. NELSON. I think Mr. Pumphrey works right out of his house, so far as I know. He does all the work. I really don't know.

Mr. RICE. What is 5806 Central Avenue, Capitol Heights?

Mr. NELSON. I don't know.

Mr. RICE. You don't know what that is?

Mr. NELSON. You say do I know what it is?

Mr. RICE. Yes.

Mr. NELSON. No; I don't.

Mr. RICE. Well, according to the records of the telephone company, a number of these telephone calls were made to Jordan 8-9789, which is listed to the P. & N. Amusement Co., 5806 Central Avenue, Capitol Heights. We understand from the staff investigation that is a pool hall.

Mr. NELSON. Pool hall?

Mr. RICE. Yes.

Mr. NELSON. I don't know.

Mr. RICE. You can't understand that; can you?

Mr. NELSON. It may seem funny to you—and I hate to have it appear that way—but, believe me, I don't know. I don't know of any poolroom there.

The CHAIRMAN. Mr. Nelson, it doesn't seem funny, but it does seem very suspicious.

Mr. NELSON. I agree with you, and I understand.

The CHAIRMAN. You are the only one that can clear it up. If you are in the clear, this committee wants to give you an opportunity to clear it up, because at this minute it looks very dark and very suspicious.

Mr. NELSON. I realize that.

The CHAIRMAN. And very incriminating.

Mr. NELSON. I realize that.

The CHAIRMAN. You are the only one that can clear it up, and now is your chance, because this is not going to be laughed off with the committee. We are going to the bottom of it, and we are going to bring it to the authorities, and those who are guilty are going to be prosecuted, and if you are one of them you are going to be in it.

If you are not one of them, now is the time to make it clear; and, so far, you have not made it clear.

We are going to take a recess shortly, and I simply suggest that you think over carefully and come back when you resume the stand prepared to tell us the truth. Now is your chance, and it is up to you entirely. Do you understand what I say?

Mr. NELSON. I get the general drift. You don't feel like I am doing what I can.

The CHAIRMAN. No; I do not.

Mr. NELSON. Believe me, I have never been in this poolroom that he mentions that I can remember.

The CHAIRMAN. I am talking about the whole picture, what we understand is a \$6 million operation, from which you have received \$180,000. Now, you are not going to make us believe that you are as ignorant as you appear to be. Now, you therefore have the chance to come back this afternoon and tell us the truth if you want to; and,

if you don't clear it up, you have nobody to blame but yourself if you are involved in some prosecution later.

Mr. NELSON. I have told the truth.

The CHAIRMAN. Do you understand what I said?

Mr. NELSON. I take it——

The CHAIRMAN. Do you understand it?

Mr. NELSON. Do you want me to come back this evening; is that what you want me to do, and talk further?

The CHAIRMAN. I want you to think it over during the lunch recess; think it over——

Mr. NELSON. Yes.

The CHAIRMAN (continuing). And come back prepared to tell us the truth, which so far you have not done.

Mr. NELSON. I beg your pardon, sir. I have really tried, and have told you the truth.

The CHAIRMAN. That is my opinion.

Mr. NELSON. I can understand how you may feel that way.

The CHAIRMAN. And you haven't cleared the matter up at all so far. You have the chance.

Mr. NELSON. What did you want to clear up, sir?

The CHAIRMAN. This whole matter about the different operations which run up to considerable amounts, and from which you have gotten a lot of money, and which you have benefited from, and you cannot make us believe that you don't know what kind of business operations they were.

Mr. NELSON. I have told you everything that I——

Senator KEFAUVER. The committee will meet this afternoon in the committee room of the District of Columbia in the Senate end of the Capitol.

Do you know where it is, Mr. Nelson?

Mr. NELSON. I don't get it. I can hear you, but I don't understand.

Senator KEFAUVER. Mr. Smith will show you. We will stand in recess until 2 p.m. this afternoon. Mr. Smith will tell you where it is. You be there at 2:15.

(Whereupon, at 12:30 p.m., the committee adjourned, to reconvene at 2 p.m. this same day.)

AFTERNOON SESSION

Present: Senators O'Connor (chairman), Kefauver (presiding), and Hunt.

Also present: Richard J. Moser, chief counsel; Downey Rice, associate counsel; Wallace Reidt, Nicholas Stathis, and Norman Polski, assistant counsel; and James M. Hepbron, administrative assistant.

Senator KEFAUVER. The committee will come to order.

Mr. Nelson, will you come back around, please, sir?

Mr. Nelson, do you want to tell us any more about your transactions than you have this morning? Have you thought the matter over any further?

FURTHER TESTIMONY OF CHARLES E. NELSON

Mr. NELSON. The only thing that I can think of that I probably made a mistake on is that I believe I said I had three race horses in training. That is incorrect. It is four.

Senator KEFAUVER. You want to increase the number of race horses by one?

About this Nowland partnership, do you want to tell us anything more about it?

Mr. NELSON. I would like to tell you anything I could, but I do not know what I can tell you.

Senator KEFAUVER. Very well, Mr. Rice.

The CHAIRMAN. Mr. Nelson, this morning, in making a statement to you as to what your own returns showed, I stated that they showed a gain of \$188,000. Do you remember my saying that to you?

Mr. NELSON. I do not remember what the figure was. I remember your talking about what the return showed.

The CHAIRMAN. You do not remember how much you yourself reported? You do not remember that?

Mr. NELSON. I am not sure about the amount. I remember you said some amount.

The CHAIRMAN. No; in checking further into it, we find some other items that now bring the total up to \$255,000.

Mr. NELSON. On my return?

The CHAIRMAN. From Nowland, of which you were supposed to have one-half. In other words, Nowland's return showed that much, and you were supposed to have an equal share with him. My question is: Have you no further information as to the nature of those transactions?

Mr. NELSON. Nothing more than was stated this morning.

The CHAIRMAN. Suppose you repeat that for us briefly, and tell us just what you understood the operation to be.

Mr. NELSON. I furnished a little money for the thing and they carried it on and they were to give me half, and that is all I could tell you about it.

The CHAIRMAN. You said they carried it on. What do you mean by that?

Mr. NELSON. Whatever they were doing. I assumed they were gambling.

The CHAIRMAN. What made you assume that?

Mr. NELSON. It is pretty hard to get money like they turned over to me without doing something in the way of gambling.

The CHAIRMAN. What kind of gambling did you think they were engaging in?

Mr. NELSON. I imagined they were engaged in the numbers business.

The CHAIRMAN. What made you think it was numbers rather than some other form of gambling?

Mr. NELSON. It could have been another form; I wouldn't know.

The CHAIRMAN. Do you mean to say you cannot give us any more information than that?

Mr. NELSON. Believe me, as much as I would like to, I cannot. I would love to, if I really knew the facts—I would tell you in a minute.

The CHAIRMAN. Go ahead, Mr. Rice.

Mr. RICE. What was your concept of the area covered by the gambling activity from which you were drawing income?

Mr. NELSON. Area?

Mr. RICE. Yes. Where were the people who were doing the gambling? Where would they come from?

Mr. NELSON. They were Maryland people. I do not think there was anybody I ever dealt with in any way, shape, or form, unless there was some business house in Washington other than Maryland people. I rarely leave the farm or Uncle Billy's. My time is devoted between the two places. Anytime of day or night you can find me in one of the two places.

Mr. RICE. Where?

Mr. NELSON. Uncle Billy's and my farm. With one exception, except when I go to sell my horses.

Mr. RICE. I notice on the record you have here Robert Nowland and Associates indicated as being in Alexandria, Va. What does that mean?

Mr. NELSON. I do not know. I do not know whether he lives in Alexandria, Va., or what.

Mr. RICE. This is a record you made yourself? You said you made your own tax return out. You have here Robert Nowland and Associates, Alexandria, Va.

Mr. NELSON. Maybe that is his home address.

Mr. RICE. You wrote it down. What did you mean by that?

Mr. NELSON. That is what I probably meant. As far as I know, he lives over in Alexandria.

Mr. RICE. So that was the address of the associates; is that it?

Mr. NELSON. No; not to my understanding.

Mr. RICE. Where did the association keep its bank account?

Mr. NELSON. The association never had any bank account that I ever knew of.

Mr. RICE. All cash business?

Mr. NELSON. Cash! Kept it on a cash basis.

Mr. RICE. You had an investment there, you say, of \$20,000 or better. What was the reason for putting up the investment? What did they need that money for?

Mr. NELSON. I do not know, unless he needed it to pay some of his obligations.

Mr. RICE. Do you want to explain that a little bit?

Mr. NELSON. I do not know how I can elaborate on it.

Mr. RICE. The man came to you and said, "I want to get into a little business. I need some money." What did he need the money for?

Mr. NELSON. To carry on his business.

Mr. RICE. Exactly what did he need it for?

Mr. NELSON. I do not know.

Mr. RICE. What would he need \$20,000 for, to get started?

Mr. NELSON. There are a lot of things these days that cost \$20,000.

Mr. RICE. Let's get back to this particular proposition.

Mr. NELSON. I really do not know. I do not know what he used the money for. His records would have to show that.

Mr. RICE. What did he tell you he needed the \$20,000 for?

Mr. NELSON. He said, if I put up the money, he could make some money. I told him I would let him have it.

Mr. RICE. About what year was that?

Mr. NELSON. 1940-45. I really do not know what year it was.

Mr. RICE. Has it been going on for 10 years?

Mr. NELSON. No; I wouldn't think so.

Mr. RICE. What is the closest you can get to the start of it?

Mr. NELSON. I would say 5 or 6, maybe 7 years.

Mr. RICE. Start back about 1944?

Mr. NELSON. Possibly. We could probably get a definite date on the thing from the tax return.

Mr. RICE. I notice in your 1945 tax return that evidently it was moving along pretty well. There you had a gain in 1945 from Robert Nowland and Associates of \$55,000. You started out doing that amount of business.

Mr. NELSON. Apparently we did.

Mr. RICE. That was in the first year. Who else is in Robert Nowland and Associates?

Mr. NELSON. I wouldn't know.

Mr. RICE. Is your wife in it?

Mr. NELSON. The wife and I are partners in everything we do, even in the racing horses.

Mr. RICE. So she is a partner in the associates, too?

Mr. NELSON. How is that?

Mr. RICE. She is a partner in the Robert Nowland and Associates, too?

Mr. NELSON. She was never a partner. She and I were partners, and I was connected with the thing and naturally she came by half of the profits.

Mr. RICE. You started around 1944-45? You think you started around then? Are you still in the business?

Mr. NELSON. Am I still in business?

Mr. RICE. Yes.

Mr. NELSON. I am in business.

Mr. RICE. In the Robert Nowland and Associates?

Mr. NELSON. No.

Mr. RICE. What happened to that?

Mr. NELSON. Mr. Nowland just decided to quit, I guess. That is the best answer I can give you.

Mr. RICE. Tell us about that. What did he tell you? Here you have a rather lucrative operation going, and you are not just going to part with it on a thing like that.

Mr. NELSON. Just decided to quit; that is all I know.

Mr. RICE. He decided to quit?

Mr. NELSON. He ran into such a terrible hole; he couldn't get out and just quit.

Mr. RICE. When did he start running into a hole?

Mr. NELSON. Possibly a couple of years back.

Mr. RICE. We are not interested in possibilities, Mr. Nelson. Just exactly what happened? You split up with Nowland. You know that. Tell us about that.

Mr. NELSON. That was not a split-up.

Mr. RICE. You had a misunderstanding with him?

Mr. NELSON. The man just quit.

Senator KEFAUVER. The acting chairman has been advised that the matter in which the committee is interested, the contempt citation, is going to be on the floor very shortly; so the chairman, Senator O'Connor, and I will have to leave for a short time, and we will designate Senator Hunt to continue the hearing.

Senator Hunt, will you take over?

(Senator Hunt assumed the chair.)

Senator HUNT. All right, Mr. Rice, you may proceed with the questioning.

Mr. RICE. You were about to tell us about the split-up you had with Nowland.

Mr. NELSON. There was no split-up.

Mr. RICE. How did you part company with him?

Mr. NELSON. He said he was quitting.

Mr. RICE. Where did that conversation take place?

Mr. NELSON. I believe it was taking place on my farm.

Mr. RICE. He came out to your farm? What did he tell you?

Mr. NELSON. Just told me he was quitting.

Mr. RICE. Just said "I am quitting"?

Mr. NELSON. That is right.

Mr. RICE. Did you have an argument about it?

Mr. NELSON. No.

Mr. RICE. Sure about that?

Mr. NELSON. So far as I am concerned, I didn't have any argument. I do not know what somebody else may call an argument.

Mr. RICE. When did that conversation take place?

Mr. NELSON. I really wouldn't begin to know.

Mr. RICE. Was it the last month?

Mr. NELSON. No; quite awhile back.

Mr. RICE. How long back?

Mr. NELSON. I would put it about 3 months.

Mr. RICE. About 3 months back?

Mr. NELSON. I would roughly put it at that.

Mr. RICE. So that you haven't been engaged in the numbers business for the last 3 months?

Mr. NELSON. That is right.

Mr. RICE. How about your wife?

Mr. NELSON. I never was engaged in it.

Mr. RICE. Not now; not today?

Mr. NELSON. Not today.

Mr. RICE. How about yesterday?

Mr. NELSON. Yesterday either.

Mr. RICE. How about the day before?

Mr. NELSON. The day before either.

Mr. RICE. How about Mrs. Nelson? You say you are partners in everything.

Mr. NELSON. That is right.

Mr. RICE. Was she engaged in it the day before yesterday?

Mr. NELSON. The day before yesterday?

Mr. RICE. Yes.

Mr. NELSON. Not that I know of.

Mr. RICE. You are partners with her?

Mr. NELSON. I hope so.

Mr. RICE. Was she engaged in the numbers business the day before yesterday?

Mr. NELSON. I am certain not.

Mr. RICE. You are certain not?

How much money have you received in 1951 from the numbers business?

Mr. NELSON. How much money have I received in 1951 from the numbers business?

Mr. RICE. Yes.

Mr. NELSON. I do not know if any.

Mr. RICE. How close can you come? You received money because you said up to 3 months ago you were in business. How much have you made this year? How much has Nowland given you this year?

Mr. NELSON. I do not have any idea right now.

Mr. RICE. What is the closest you can come? Is it \$5,000?

Mr. NELSON. Possibly.

Mr. RICE. Possibly \$10,000?

Mr. NELSON. It could have been.

Mr. RICE. How much was it?

Mr. NELSON. I have to go back to whatever records we keep.

Mr. RICE. You keep records?

Mr. NELSON. I keep incoming and outgoing money.

Mr. RICE. You keep your ins and outs? Is that what you call it?

Mr. NELSON. I guess so. You can call it that, if you like.

Mr. RICE. Where do you keep those ins and outs?

Mr. NELSON. I generally keep them at home.

Mr. RICE. Where do you keep them?

Mr. NELSON. At home.

Mr. RICE. Is it home now?

Mr. NELSON. Are they at home now?

Mr. RICE. Yes, your records.

Mr. NELSON. Possibly so.

Mr. RICE. Let's get definite about it. Where are the records of how much you have taken in this year?

Mr. NELSON. I have them at home, whatever records I have.

Mr. RICE. What sort of a book do you have them in?

Mr. NELSON. They are in a little red book.

Mr. RICE. And if we were to suggest that a staff member might like to accompany you out to the little red book, can he see that?

Mr. NELSON. It would be all right with me.

Mr. RICE. We may make those arrangements.

Mr. NELSON. All right.

Mr. RICE. Do you keep a bank account?

Mr. NELSON. Do I keep a bank account?

Mr. RICE. Yes.

Mr. NELSON. I do banking business. That is pretty hard to keep.

Mr. RICE. Let's not be facetious.

Mr. NELSON. Please, don't take it that I am trying to offend you. I do business with a bank. If that is what you want to know, and I have a bank account: yes.

Mr. RICE. Where is your bank account?

Mr. NELSON. I have a bank account. I have a bank account at Seat Pleasant. I cover quite a lot of stock and it is not all what you might like to think it is either. When you say a bank account, you mean my own personal account?

Mr. RICE. We will start with that one.

Mr. NELSON. My personal account is in Seat Pleasant Bank.

Mr. RICE. Is that your own personal account? Is that in your own name?

Mr. NELSON. In my own name.

Mr. RICE. Is that a checking account?

Mr. NELSON. Yes.

Mr. RICE. About what balance do you have in that account?

Mr. NELSON. I really do not know.

Mr. RICE. How close can you come?

Mr. NELSON. Couple of thousands of dollars.

Mr. RICE. What is your best guess about what you have there?

Senator HUNT. Mr. Nelson, if you had to write a check for \$2,000 today, would you be overdrawn?

Mr. NELSON. I might.

Mr. RICE. Do you mean to say that you do not know whether you would be overdrawn or not if you wrote a check on your account?

Mr. NELSON. That is right. Believe me. I can get these figures for you, but to get them out of my head is awfully hard for me.

Mr. RICE. Where would you get the figures?

Mr. NELSON. If you are really interested in it, suppose we call the bank.

Mr. RICE. Is that the only way you could find out?

Mr. NELSON. I could go home.

Mr. RICE. You have a check stub?

Mr. NELSON. Yes.

Mr. RICE. That is home, too, with your little red book?

Mr. NELSON. The check book is at home.

Mr. RICE. When did you write the last check on that account?

Mr. NELSON. I think 2 or 3 days ago.

Mr. RICE. What was the balance then?

Mr. NELSON. I didn't notice. You see what happens is that I have a bookkeeper. She writes all this stuff and hands it to me and I sign it. I used to be able to work and did much more than I do now. I cannot work now.

Mr. RICE. Who is your bookkeeper, this woman you are talking about?

Mr. NELSON. The bookkeeper at the farm?

Mr. RICE. The one you are talking about.

Mr. NELSON. That writes my personal checks?

Mr. RICE. The one you are talking about.

Mr. NELSON. Mrs. Frank Wakeman.

Mr. RICE. Does she work at the farm?

Mr. NELSON. Yes. She is more of a stenographer than she is a bookkeeper. We get an awful lot of correspondence from interested people all over the country about stock and, believe me, it is a big job just to answer it.

Mr. RICE. Does your wife draw checks on this account, too?

Mr. NELSON. On my account?

Mr. RICE. Yes.

Mr. NELSON. No, that is my own personal account.

Mr. RICE. What other accounts do you have?

Mr. NELSON. Mrs. Nelson and I have a joint account there together.

Mr. RICE. Same bank?

Mr. NELSON. At the Seat Pleasant Bank.

Mr. RICE. What is the balance in that account?

Mr. NELSON. I really do not know. It may be \$10,000 or \$16,000.

Mr. RICE. Do you have a savings account?

Mr. NELSON. A bank savings account, do you mean?

Mr. RICE. Yes.

Mr. NELSON. No.

Mr. RICE. Do you have any other bank accounts?

Mr. NELSON. Yes.

Mr. RICE. What other bank accounts do you have?

Mr. NELSON. We have—wait a minute. I told you \$10,000 or \$15,000 in that Seat Pleasant Bank. The chances are there are only a couple of thousand there. We have another joint account down at Owens Trust Co. and that is probably where we have \$10,000 or \$15,000. Is that clear to you?

Mr. RICE. Yes, it is fairly clear. Where is this Owens Trust Co.?

Mr. NELSON. Sir?

Mr. RICE. Where is the Owens Trust Co. located?

Mr. NELSON. The bank?

Mr. RICE. Yes.

Mr. NELSON. Owens. In Owens, Md.

Mr. RICE. Owens, Md.?

Mr. NELSON. That is right.

Mr. RICE. How much do you have in the Seat Pleasant account? You say you thought it was \$10,000 or \$15,000 down at Owens?

Mr. NELSON. I would say approximately a couple of thousand. I do not know. That is at the Seat Pleasant Bank.

Mr. RICE. Yes.

Mr. NELSON. And about \$10,000 or \$15,000 at the Owens?

Mr. RICE. What other accounts do you have?

Mr. NELSON. Personal accounts?

Mr. RICE. Any type of bank account.

Mr. NELSON. Company accounts included?

Mr. RICE. Yes.

Mr. NELSON. North Beach Amusement Co., for instance. Are you interested in that?

Mr. RICE. Yes.

Mr. NELSON. They have an account also at the Owens Bank.

Mr. RICE. Is it possible for you to draw checks on the North Beach Amusement Co. account?

Mr. NELSON. For me to do it? Yes; I guess I could. I never have done it.

Mr. RICE. Who draws the checks on that?

Mr. NELSON. There is a bookkeeper for that company by the name of Mrs. Patrick Brady. She makes up all the checks and signs all the bills and things like that. When I get around to it, I look them over and sign them and pay them.

Mr. RICE. Do you think it is possible for you to sign a check on that account?

Mr. NELSON. I sign all the checks on that account. Nobody else has the authority to sign it.

Mr. RICE. Where is Mrs. Brady headquartered?

Mr. NELSON. She is headquartered right at Uncle Billy's.

Mr. RICE. What other accounts do you have? This North Beach Amusement Co. has an account at Owens Bank. You have one at Owens Bank. You have an account at Seat Pleasant. What other accounts do you have?

Mr. NELSON. That covers it.

Mr. RICE. Do you have any accounts in the District of Columbia?

Mr. NELSON. Building associations, but not banks.

Mr. RICE. Where is that?

MR. NELSON. Where is what?

MR. RICE. The building-association account.

MR. NELSON. I have one at Eastern.

MR. RICE. What do you have in that account, Mr. Nelson?

MR. NELSON. Really, I have to go to the books. I do not know.

MR. RICE. Can you come within \$5,000?

MR. NELSON. It is probably around \$5,000.

MR. RICE. All right, what other accounts?

MR. NELSON. I have an account at the American Building Association right up the street from it.

MR. RICE. How much do you have there?

MR. NELSON. I think it is around \$3,500, \$4,000—something like that.

MR. RICE. Do you have any other accounts?

MR. NELSON. Yes, I do, but I cannot think of the names of them. There is a building association out in Silver Spring—citizens association.

MR. RICE. How much do you have there?

MR. NELSON. Probably around \$7,500.

MR. RICE. Any other accounts?

MR. NELSON. Yes. Then I have one at Thomas Circle. That is the District Building Association. It is at Fourteenth and M. I think it is the District Building Association.

MR. RICE. District Building Association?

MR. NELSON. Yes. These are all building associations.

MR. RICE. How much do you have in that one?

MR. NELSON. Of course, you understand these are just guesses.

MR. RICE. Yes.

MR. NELSON. Probably \$6,000.

MR. RICE. Is that all the building association accounts you have?

MR. NELSON. No. I have one at the Hyattsville.

MR. RICE. Which one is that out at Hyattsville?

MR. NELSON. The one on Fourteenth Street is the one I have an account with, the Hyattsville Building Association.

MR. RICE. How much do you have there?

MR. NELSON. Probably \$24,000 in that association.

MR. RICE. You have how much?

MR. NELSON. About \$24,000.

MR. RICE. \$24,000 out there?

MR. NELSON. That is right.

MR. RICE. Is that all?

MR. NELSON. No. I have an account with the Prudential Building Association.

MR. RICE. That is where in town here in Washington?

MR. NELSON. That is on G Street NW., fourteen-hundred-something.

MR. RICE. How much do you have there?

MR. NELSON. Probably \$7,500. I have to look at the books to be sure.

MR. RICE. Do you have a statement of your assets?

Did you ever make up a statement of your assets?

MR. NELSON. I have never done that, but it wouldn't be too much trouble.

MR. RICE. All right?

MR. NELSON. It would take me a little time.

Mr. RICE. How long do you think it would take you?

Mr. NELSON. I would do it just as soon as humanly possible, if you would like one.

Mr. RICE. What do you estimate your net worth to be?

Mr. NELSON. Really, I wouldn't have any idea.

Mr. RICE. Approximately.

Mr. NELSON. Probably a couple of hundred thousand dollars.

Mr. RICE. I beg your pardon?

Mr. NELSON. Probably a couple of hundred thousand dollars. I do not know.

Mr. RICE. Do you have any accounts in banks outside of the District of Columbia or Maryland, either building and loan or other type of bank?

Mr. NELSON. Wait a minute, we do. We were down in Florida. We go down in the wintertime. We have a little account in one of the banks, about \$400 or \$500.

Mr. RICE. In what town is that?

Mr. NELSON. Coral Gables. I think they call it that.

Mr. RICE. Coral Gables?

Mr. NELSON. It is in Coral Gables. I think it is the Coral Gables Bank. It is about \$400 or \$500.

Mr. RICE. That is a checking account?

Mr. NELSON. That is right.

Mr. RICE. Do you own property in Florida?

Mr. NELSON. No.

Mr. RICE. What property do you own?

Mr. NELSON. I own the farm.

Mr. RICE. What would you take for the farm?

Mr. NELSON. What would I take for it?

Mr. RICE. Yes.

Mr. NELSON. With all the hard work I put in that farm, I would hate to sell it for any price.

Mr. RICE. Would you take \$100,000?

Mr. NELSON. Yes.

Mr. RICE. Would you take \$50,000?

Mr. NELSON. No.

Mr. RICE. \$75,000?

Mr. NELSON. Might.

Mr. RICE. \$70,000?

Mr. NELSON. I might.

Mr. RICE. \$65,000?

Mr. NELSON. I might even do that. It all depends upon the conditions and the time.

Mr. RICE. I am kind of interested in knowing what you would take for it.

Mr. NELSON. I do not know. I figure things pretty close. The longer you get to know me, you would know I would rather give you a direct answer, just exactly to the penny, what this is, than to give you the guesses. I do not know how much money I have in the farm.

Mr. RICE. What other property do you own?

Mr. NELSON. On the farm?

Mr. RICE. Anywhere.

Mr. NELSON. I have that stock in the North Beach Amusement Co.

Mr. RICE. We know about that.

What other real property—buildings or land—do you own?

Mr. NELSON. Real estate?

Mr. RICE. Yes.

Mr. NELSON. I own a house out in Riverdale.

Mr. RICE. Whose house is that?

Mr. NELSON. Whose?

Mr. RICE. Who lives in it?

Mr. NELSON. The night watchman who works for me, a fellow by the name of Rice.

Mr. RICE. What does he watch for you?

Mr. NELSON. He watches the stock on the farm at night, the brood mares, and things like that, when they are having their young. He calls for help.

Mr. RICE. That is a house in Riverdale?

Mr. NELSON. That is right.

Mr. RICE. What other real property do you have?

Mr. NELSON. I have a house in Hyattsville.

Mr. RICE. Who lives in that?

Mr. NELSON. It is rented. I do not know.

Mr. RICE. Do you know the address of it?

Mr. NELSON. No, but I can get it for you.

Mr. RICE. Did you ever live in it?

Mr. NELSON. No. I never lived in it.

Mr. RICE. How did you happen to acquire that house?

Mr. NELSON. Speculation. Just bought it. I thought it was a cheap house and bought it.

Mr. RICE. Do you own any other property? You do not know where that is? Do you know what street it is on?

Mr. NELSON. I can tell you how to get there, but I cannot tell you the number of the street. You go to Hyattsville, through Hyattsville and when you get to the Riverdale traffic light, you turn to the left and go as far as you can. It is the last house on the left by the Carrier farm.

Mr. RICE. You do not know the name of the street?

Mr. NELSON. I do not know. They changed the name of that street.

Mr. RICE. Is it Nicholson Street?

Mr. NELSON. No.

Mr. RICE. In the 3800 block?

Mr. NELSON. I do not know. They changed the numbers and they change the stuff around so often and so much, that I do not know.

Mr. RICE. You do not know?

Mr. NELSON. No.

Mr. RICE. It is in your name?

Mr. NELSON. That is right.

Mr. RICE. Any other houses or property?

Mr. NELSON. Yes, I have a house in Parkland.

Mr. RICE. Where is that?

Mr. NELSON. That is over in District Heights, right off Marlboro Heights. A little subdivision known as Parkland.

Mr. RICE. You have an apartment there, you say?

Mr. NELSON. No, a house.

Mr. RICE. That is rented?

Mr. NELSON. That is rented.

Mr. RICE. That is speculation property there, too?

Mr. NELSON. No, we lived in this house. While it was bought as speculation property, we lived in that house while we were building the house on the farm.

Mr. RICE. Any other property?

Mr. NELSON. I have a house on Twelfth Street in Fort Myer.

Mr. RICE. Over in Virginia?

Mr. NELSON. Yes.

Mr. RICE. Do you know the number?

Mr. NELSON. Right near Fort Myer. I do not know the number of the house.

Mr. RICE. Who lives in it?

Mr. NELSON. I believe the boy's name is Joe Morrison.

Mr. RICE. Joe Morrison?

Mr. NELSON. I think that is who it is.

Mr. RICE. What business is he in?

Mr. NELSON. He is a milk truck driver.

Mr. RICE. He is on Twelfth Street?

Mr. NELSON. In Fort Myer; that is right.

Mr. RICE. Any other houses or property?

Mr. NELSON. Yes. I have one in Alexandria. That is just about the same thing. It used to be 530 Taylor Street.

Mr. RICE. Did you say Perry Street?

Mr. NELSON. The house?

Mr. RICE. Yes.

Mr. NELSON. Taylor Street.

Mr. RICE. Who lives in that house?

Mr. NELSON. Mr. Ryan, a real estate agent, collects the rent for these houses for me.

Mr. RICE. Where is he located?

Mr. NELSON. Up on Fourteenth Street.

Mr. RICE. What is his first name?

Mr. NELSON. N. E. Ryan.

Mr. RICE. He handles your property?

Mr. NELSON. That is right.

Mr. RICE. So he would have a complete list of all your properties in this area?

Mr. NELSON. He has a complete list of all the properties I rent.

Mr. RICE. Does he handle your Virginia properties?

Mr. NELSON. All of them. He collects the rents and forwards them to me.

Mr. RICE. Do you own any properties outside of the District of Columbia, Maryland, and Virginia?

Mr. NELSON. No.

Mr. RICE. Do you have any stocks and bonds, stocks or bonds?

Mr. NELSON. I have about \$20,000 worth of Government bonds. Really, I have \$10,000, and Mrs. Nelson has \$10,000. I was putting them together.

Mr. RICE. Where do you keep those?

Mr. NELSON. We keep them at home.

Mr. RICE. Whereabouts?

Mr. NELSON. We keep them in a safe at the office.

Mr. RICE. You have a safe at home?

Mr. NELSON. Yes, sir.

Mr. RICE. What else do you have in the safe besides bonds?

Mr. NELSON. There is a little bit of everything in there, sir.

Mr. RICE. Any cash in there?

Mr. NELSON. There might be a little, got to have a little cash money around.

Mr. RICE. How much would you say you had there?

Mr. NELSON. I do not know; possibly a thousand dollars.

Mr. RICE. Possibly what?

Mr. NELSON. Maybe \$1,000.

Mr. RICE. Maybe more?

Mr. NELSON. I doubt it.

Mr. RICE. What else do you have there? Any other stocks or bonds?

Mr. NELSON. I have \$2,000 worth of stocks in the development company in Seat Pleasant.

Mr. RICE. What is the name of that?

Mr. NELSON. It is with the Seat Pleasant Bank. I do not recall what the name of it is.

Mr. RICE. Any other stocks?

Mr. NELSON. No; not that I can think of.

Mr. RICE. That is all the stock you can think of that you have?

Mr. NELSON. I think so. Stock in the company. You said you knew about that.

Mr. RICE. Any oil stock or gold-mine stock?

Mr. NELSON. Oil? I wish I did have. I do not have any gold mine.

Mr. RICE. How about bonds? Do you have any bonds?

Mr. NELSON. Didn't you ask me about the bonds? The Government bonds.

Mr. RICE. Any other bonds?

Mr. NELSON. No.

Mr. RICE. Do you own an automobile?

Mr. NELSON. Yes.

Mr. RICE. What sort of an automobile do you have?

Mr. NELSON. Chrysler, 1947-48.

Mr. RICE. Do you have just one car?

Mr. NELSON. That is all that belongs to me.

Mr. RICE. Does your wife have one?

Mr. NELSON. Yes.

Mr. RICE. What does she have?

Mr. NELSON. A Chrysler station wagon.

Mr. RICE. What year?

Mr. NELSON. I think it is a '49 or a '50. It was bought right close to the time when the year changed, when they changed the model, and I am not sure.

Mr. RICE. You said this morning that you had some interest in the P. & N. Amusement Co. with a man by the name of Pumphrey.

Mr. NELSON. Yes.

Mr. RICE. Which Pumphrey is that?

Mr. NELSON. I do not think you people have the right man at all. This is James Pumphrey. He is a refrigeration man. He handles music boxes, cigarette machines, consoles, such as pin ball, and the like, through Seat Pleasant. When you talked about a pool room, I do not get that at all.

Mr. RICE. Where does James Pumphrey live?

Mr. NELSON. He lives in Seat Pleasant.

MR. RICE. Do you know where in Seat Pleasant?

MR. NELSON. No; I do not.

MR. RICE. Have you been receiving money from the P. & N. Amusement Co.?

MR. NELSON. Yes.

MR. RICE. Approximately how much did you receive from P. & N. last year?

MR. NELSON. I would say somewhere between \$1,500 and \$4,000, something like that. I do not remember.

MR. RICE. When was the P. & N. Amusement Co. formed?

MR. NELSON. That was a little thing that got started when this Pumphrey had been doing a little work down at Uncle Billy's for us. He and I went fishing together.

MR. RICE. What sort of work had he been doing at Uncle Billy's for you?

MR. NELSON. He still takes care of the refrigeration work, all the refrigeration work at the place—quite a lot of it.

MR. RICE. When did the company get started, the P. & N. Amusement Co.? Five years ago?

MR. NELSON. I do not think it was that long. It has probably been there $3\frac{1}{2}$ to 4 years at the most.

MR. RICE. Started making money right away?

MR. NELSON. Well, we took in some money; but, the way I figured, we have never been able to make any money.

MR. RICE. You said you drew about \$1,500 last year?

MR. NELSON. Nevertheless, we have some investment in that particular enterprise.

MR. RICE. You have some what?

MR. NELSON. We have some investment there.

MR. RICE. Yes.

MR. NELSON. Machines and such like.

MR. RICE. But you took \$1,600 out.

MR. NELSON. But that was before we charged out any depreciation or anything. The way I figured it, we made very little money, if anything, on that enterprise.

MR. RICE. Who keeps the books of that enterprise?

MR. NELSON. Mr. Pumphrey was responsible for it. The only way I entered into the thing was that he did the entire amount of work and brought me my part of the money.

MR. RICE. You backed him, in other words?

MR. NELSON. I put up the money to buy the equipment.

MR. RICE. How much did you put up?

MR. NELSON. I do not know, probably \$10,000. I really do not know.

MR. RICE. You do not know whether it was 4 or 5 years ago?

MR. NELSON. I do not think it was that long, that far back.

MR. RICE. How long ago was it?

MR. NELSON. I would say it was around $3\frac{1}{2}$ years.

MR. RICE. How many slot machines does the company have?

MR. NELSON. My company?

MR. RICE. P. & N.

MR. NELSON. I do not know of any slot machines that they have.

MR. RICE. How many slot machines do they have?

MR. NELSON. What is that?

Mr. RICE. How many slot machines does P. & N. have?

Mr. NELSON. You are talking about playing slot machines?

Mr. RICE. Any kind—consoles.

Mr. NELSON. You are talking about everything?

Mr. RICE. Yes.

Mr. NELSON. Probably 60.

Mr. RICE. Are those the console type?

Mr. NELSON. All different kinds, music boxes.

Mr. RICE. Instruments of all kinds?

Mr. NELSON. Shuffle alley.

Mr. RICE. How about the race-horse type, the one-armed bandits?

Mr. NELSON. We do not have one-armed bandits.

Mr. RICE. You have some console-type slot machines?

Mr. NELSON. Yes.

Mr. RICE. How many of those do you have?

Mr. NELSON. Thirty, forty; maybe fifty or sixty. I would have to get you a record.

Mr. RICE. Where do you have those placed?

Mr. NELSON. They are all through Maryland.

Mr. RICE. Do you have any in your home?

Mr. NELSON. No. In quite a few locations in Maryland.

Mr. RICE. Are they all in public places?

Mr. NELSON. All in public places, with the exception that Mr. Pumphrey may have stored some in his cellar.

Mr. RICE. I noticed in your record you have a Charles E. Nelson Associates. What business is that in?

Mr. NELSON. That was set up and designed when we had the partnership, so that for income-tax purposes Mrs. Nelson and I would be partners in Charles E. Nelson Associates. That took care of the farm and any other activities that we may have had.

Mr. RICE. That took care of the farm?

Mr. NELSON. Other than the company. In other words, the company was one account and Charles E. Nelson Associates was our account. Let's put it that way.

Mr. RICE. By company men you mean the Nowland?

Mr. NELSON. I do not have any control over Nowland or that company.

Mr. RICE. When you say that is our account and the other is the company, what do you mean by the "company"?

Mr. NELSON. I am talking about the North Beach Amusement Co.

Mr. RICE. So that you have only two set-ups. You have the Charles E. Nelson, which is the farm, and the other is the North Beach Amusement?

Mr. NELSON. That is right.

Mr. RICE. And you do not consider Nowland as part of either one?

Mr. NELSON. I have no control over Nowland.

Mr. RICE. But you have about a quarter of a million dollars in 4 years coming from that. You do not consider that any business at all?

Mr. NELSON. I didn't have control over it while I did get the money. That money shows on these income-tax returns. I do not handle it.

Mr. RICE. What would you say your main business is?

Mr. NELSON. My main business?

Mr. RICE. Yes.

Mr. NELSON. Probably my main business is farming.

Mr. RICE. Is that your main business?

Mr. NELSON. It will be shortly.

Mr. RICE. You do not mean on a State farm, do you?

Mr. NELSON. If that is the case, I will just have to put up with it. Can I make myself clear with this young man?

Mr. RICE. I wanted to pursue this phase for just a minute. You say your main business is a farm and you run it under the name of Charles E. Nelson Associates?

Mr. NELSON. That is right.

Mr. RICE. I will review your records here a little bit. Let's see about this main business here. In 1945 you showed a loss on Charles E. Nelson Associates, which is your main business, of \$23,000 in round figure. In 1946 you show a loss of \$21,000. The same year your wife showed a loss of the same thing of \$21,000. That is \$42,000 that you lost on your main business.

In 1946 you showed a loss of \$19,000 and your wife showed a loss of \$19,000. That is \$38,000 you lost that year. In 1948 you and your wife lost \$49,000 on your main business.

Mr. NELSON. That is correct. I guess you would like me to explain those losses. The best way I can explain it to you is to ask you if you ever tried to raise any thoroughbred livestock and, if so, you will understand. If there is anybody around that has, they would understand.

In 15 years you are just getting started in that kind of business.

Mr. RICE. But in one year, on the other hand, you had a gain of \$55,000 from Nowland, but that is not your main business. The same year you lost \$23,000 on the farm.

Mr. NELSON. That is right.

Mr. RICE. It didn't take you long to get started in that.

Mr. NELSON. Long to get started?

Mr. RICE. Are you still losing money on the farm?

Mr. NELSON. God, I hope not. Believe me, I hope not.

Mr. RICE. What is the answer?

Mr. NELSON. I have racked my brain for the answer to that question.

Mr. RICE. You mean you do not know whether you are losing or not?

Mr. NELSON. I do not know.

Mr. RICE. You do not know?

Mr. NELSON. I do not know how we will come out. I raise this stuff to sell it at auction sales. I just came back from an auction sale. Before I went, I was certain we were over the hump. They really took the starch out of me down there.

Mr. RICE. These race horses that you have, are they considered part of the farm?

Mr. NELSON. Yes.

Mr. RICE. Do you lose money on them, too?

Mr. NELSON. Sometimes we do. This year I do not think we will, but I only have these horses because I was caught with them and could not help myself. It is better to have them at the race track and get something out of them than have them laying around.

Mr. RICE. How does one go about getting "caught" with a race horse?

Mr. NELSON. Sometimes we have one that people just won't buy.

Mr. RICE. Just grew like Topsy? Where did you get the horses in the first place? You bought them; didn't you?

Mr. NELSON. I raised these horses. Every horse that I have at the race track I have bred and raised.

Mr. RICE. Where did you get the parents of these horses?

Mr. NELSON. The parents?

Mr. RICE. We won't go back into which came first, the egg or the chicken. Where did the horses come from in the first place?

Mr. NELSON. The original stallion I got from Mr. Hale Price Hill-yard in Lexington.

Mr. RICE. And you paid him for it?

Mr. NELSON. That is right.

Mr. RICE. You got into the business voluntarily?

Mr. NELSON. Voluntarily?

Mr. RICE. Yes; you did not get caught with anything.

Mr. NELSON. I bought that horse intentionally, hoping to be able to make some money off him.

Mr. RICE. As a matter of fact, you have lost money every year and charged that off as an operating expense.

Mr. NELSON. I will admit that does look awfully bad. While it does look bad, it is not as bad as it may look. A lot of this young stock, if I raise it, is still there on the farm, and if you put it up and sold it it would be a different picture.

Mr. RICE. It certainly does look like something that might merit the attention of a Senate committee. You have a 4-year loss on a farm, including race horses, which to me might seem to be a hobby, of \$181,000, which you charge off as an expense against a gain of \$255,000 for numbers operations, showing a net of \$74,000. That is all you paid taxes on.

Mr. NELSON. If you people feel like it is a hobby, I will put those horses up and sell them as soon as I can get ready. I am getting tired of it.

Mr. RICE. We are not suggesting anything about your business, Mr. Nelson, but it does appear that a consistent loss of that type, chargeable against the Government, in effect means you are running the horses with Government funds.

Mr. NELSON. It has been most annoying to me. I wouldn't have believed it could have been as bad as it is. It worried me an awful lot.

Mr. RICE. I noticed you had some other expenses which you charged off from time to time, of contributions. For instance, there is a contribution to the Police Boys' Club at Hyattsville. Do you remember making a contribution of that type?

Mr. NELSON. They were probably made by check, if we made any contributions.

Mr. RICE. Who was the policeman who solicited you on that?

Mr. NELSON. Really I do not know. I do not have the faintest idea.

Mr. RICE. You wouldn't be able to remember?

Mr. NELSON. No.

Mr. RICE. Do you know any officers on the police force of Prince Georges County?

Mr. NELSON. There are so many new ones now that I doubt if I know any of them to speak of.

Mr. RICE. Do you know any in the past or do you know any on the force at this time at all?

Mr. NELSON. I know of them. I am not acquainted with them.

Mr. RICE. Do you have a speaking acquaintance with any of them?

Mr. NELSON. Did I ever speak to any of them?

Mr. RICE. Yes.

Mr. NELSON. If I met them. I spoke to them.

Mr. RICE. Whom can you call by name?

Mr. NELSON. Yes; I could call them by name.

Mr. RICE. Whom could you call by name?

Mr. NELSON. Leeds Humphrey.

Mr. RICE. How about Officer Purdy?

Mr. NELSON. I know Purdy; yes.

Mr. RICE. Did you ever have any transactions with Purdy?

Mr. NELSON. No.

Mr. RICE. Sure about that?

Mr. NELSON. Yes.

Mr. RICE. Have you had any business with him at all?

Mr. NELSON. Not that I know of.

Mr. RICE. How did you come to know him?

Mr. NELSON. I lived out there for 15 to 18 years and we had a bonding business, used to bond people and get them out of jail. I came in contact with the policemen out there. No longer than a year or two ago I spent a lot of time getting things straightened out.

Mr. RICE. What is the name of your bonding business?

Mr. NELSON. Nelson & Main.

Mr. RICE. Nelson & Main?

Mr. NELSON. That is right. I think that is what it was. That is a thing that has since been closed up and done away with, recently.

Mr. RICE. Why was that?

Mr. NELSON. Just too much work; too much work, principally because too much work.

Mr. RICE. Were you doing the work?

Mr. NELSON. Wound up where I had some of it to do in the end.

Mr. RICE. Who was Main?

Mr. NELSON. Mr. Irvin Main. He is a man who runs a little grocery store over in Seat Pleasant. We had a man by the name of Mr. Wake-man who was supposed to do the work, and he got sick. Mr. Main was sick. I was sick. I wound up with that work and I had to straighten it out.

Mr. RICE. Have you ever been arrested?

Mr. NELSON. When I was a young man, during the prohibition days, I think I was arrested with a keg of whisky or something.

Mr. RICE. Where was that?

Mr. NELSON. Really I do not know where it was.

Mr. RICE. Was it in Maryland?

Mr. NELSON. No; we were living in the District at the time.

Mr. RICE. Did you pay a fine?

Mr. NELSON. I really do not remember.

Mr. RICE. You didn't go to jail?

Mr. NELSON. No; I have never been in jail.

Mr. RICE. You do not know whether you went to jail or not?

Mr. NELSON. What?

Mr. RICE. You say you do not know whether you went to jail?

Mr. NELSON. I never went to jail. I might have been in the station house overnight or something. I do not think I have really been in the station house overnight, but I have been in the station house for speeding, or things like that, or have sat there and waited for somebody to get collateral for me.

Mr. RICE. Have you had any other arrests or served time for any crime?

Mr. NELSON. Never served time.

Mr. RICE. Have you ever been arrested for the numbers business?

Mr. NELSON. No, sir.

Mr. RICE. Have you ever been before a grand jury?

Mr. NELSON. No, sir.

Mr. RICE. Never been called upon to testify about the numbers business?

Mr. NELSON. No, sir.

Mr. RICE. How do you account for the fact that you have been able to receive so much income from the numbers business over an extended period of years without any interference by law enforcement people?

Mr. NELSON. I stay on my farm all the time or at Uncle Billy's. I guess the officers just felt there was never any reason to bother me at the farm or Uncle Billy's, as I wasn't doing anything.

Mr. RICE. Did you ever pay anyone for police protection?

Mr. NELSON. No, sir; I do not pay anybody anything.

Mr. RICE. You are sure about that?

Mr. NELSON. I am positive.

Mr. RICE. Never paid a police officer anything?

Mr. NELSON. No, sir.

Mr. RICE. Make any gifts?

Mr. NELSON. Yes. At Christmas time we very often fix bags and put a turkey in it. We not only give it to policemen, we give it to a lot of people who we think are worthy.

Mr. RICE. Do you give policemen a turkey at Christmas?

Mr. NELSON. Yes.

Mr. RICE. What ones do you take care of?

Mr. NELSON. No particular ones.

Mr. RICE. Have you sent any to Mr. Purdy?

Mr. NELSON. Possibly did. That is the only form of a gift that I can recall.

Mr. MOSER. Mr. Nelson, I want to ask you some questions about the Nowland set-up. Is that called Nowland & Associates?

Mr. NELSON. Yes.

Mr. MOSER. When you put up that \$20,000 he asked you for, did you have any written agreement with him?

Mr. NELSON. No.

Mr. MOSER. No agreement at all?

Mr. NELSON. Never been a written agreement.

Mr. MOSER. Did you give him the money in cash?

Mr. NELSON. Yes.

Mr. MOSER. What denominations?

Mr. NELSON. I do not know.

Mr. MOSER. Did you accept any promissory note from him?

Mr. NELSON. No.

Mr. MOSER. Did you have any other evidence to prove you put up the \$20,000?

Mr. NELSON. No.

Mr. MOSER. So that he just asked you for \$20,000 and you gave it to him without any evidence that you had done so: is that right?

Mr. NELSON. I wouldn't say that it was \$20,000, whatever the figure was, which we exchange from time to time. I just gave it to him without any security.

Mr. MOSER. You mean you do not know how much you gave him? You testified before it was \$20,000.

Mr. NELSON. I said it could have been.

Mr. MOSER. It could have been?

Mr. NELSON. That is right.

Mr. MOSER. Did you give him different amounts from time to time?

Mr. NELSON. We exchanged money from time to time.

Mr. MOSER. You exchanged money?

Mr. NELSON. That is right.

Mr. MOSER. You mean he gave you money and you gave him money?

Mr. NELSON. He gave me what was coming to me and if he needed a few thousand I would let him have it.

Mr. MOSER. Do you make it a common practice, when somebody comes and asks you for \$20,000, to just give it to him and not ask him what it is for?

Mr. NELSON. No; I do not as a general thing. I worked with this man some 30 years ago, and I felt I knew him well enough so that I could trust him with anything. I still think I can.

Mr. MOSER. Did you purposely not ask him what it was for?

Mr. NELSON. I guess you could put it that way.

Mr. MOSER. You suspected it was for something like gambling, but you did not want to ask him?

Mr. NELSON. I didn't care.

Mr. MOSER. Didn't he say something to make you think you should not ask what it was for?

Mr. NELSON. I don't recall anything that he said.

Mr. MOSER. Why didn't you ask him what it was for?

Mr. NELSON. You ask whether I asked him what it was for?

Mr. MOSER. Why didn't you ask him?

Mr. NELSON. I do not know. I just didn't want to.

Mr. MOSER. Isn't it a rather strange form of doing business to hand a man money and not know what he is going to do with it?

Mr. NELSON. Not if you know what you were doing. It will be a long time before I do it again.

Mr. MOSER. Did you know what you were doing?

Mr. NELSON. I didn't, or I wouldn't know about it.

Mr. MOSER. Were you surprised when the first year you got \$55,000 back on your investment of \$20,000?

Mr. NELSON. I guess I was.

Mr. MOSER. The next year you got an even larger amount. That was another pleasant surprise?

Mr. NELSON. It was very nice to make money.

Mr. MOSER. Didn't you anticipate when you gave him the \$20,000 that you would get these amounts?

Mr. NELSON. No; I never dreamed of it.

Mr. MOSER. What did you anticipate getting back?

Mr. NELSON. I didn't have any idea. How could I?

Mr. MOSER. Why couldn't you tell? You do not give \$20,000 to somebody without having some idea as to what you are going to get back for it, do you?

Mr. NELSON. There is no way of telling what you are going to do in business.

Mr. MOSER. It seems quite obvious to me that you must have known something about how you were going to get the money back or you wouldn't have given it to him and you must have known he was going to use it for gambling; isn't that true?

Mr. NELSON. No.

Mr. MOSER. You knew it was something like that, didn't you?

Mr. NELSON. I could think what I wanted to, but I didn't know it.

Mr. MOSER. Did you purposely refrain from asking him so you wouldn't know?

Mr. NELSON. I wouldn't say I purposely didn't ask. I just didn't ask questions.

Mr. MOSER. It seems peculiar to me that you did not ask when you put up that much money any questions. Did you ask him any questions when you got \$50,000 back the first year?

Mr. NELSON. I don't think so.

Mr. MOSER. You said that surprised you. You didn't ask him what that was about?

Mr. NELSON. I didn't say anything at all. I didn't really realize we had that much money until we figured it up. I got it in dribbles.

Mr. MOSER. That is all I have.

Senator HUNT. Mr. Nelson, do you make out your own income-tax returns?

Mr. NELSON. Yes, sir. I make up my own income-tax returns.

Senator HUNT. Give us some idea of your background in accounting, your education.

Mr. NELSON. My education? Gentlemen, you won't believe this, I know. I came out of a little knowledge box up in northern Maryland. I graduated out of the fourth grade.

Senator HUNT. You make out your own income-tax returns?

Mr. NELSON. Yes, sir.

Senator HUNT. You don't have any help from anybody?

Mr. NELSON. I have the depreciation sheets made up on the houses, stock, horses and farm, and things like that, and I take it from there.

Senator HUNT. Who does it for you?

Mr. NELSON. Mr. Huey.

Senator HUNT. Is he a certified public accountant?

Mr. NELSON. He is. Mr. Huey also does the company's work.

Senator HUNT. And he makes up your income-tax returns, then, from the information that you file with him?

Mr. NELSON. He gives me all that stuff. He gives me all that information. I finish it up.

Senator HUNT. Where does he get the information?

Mr. NELSON. He gets it off the farm's books and off the company's books, kept by the bookkeeper.

Senator HUNT. Have you ever had an examination of your accounts by the Internal Revenue Department?

Mr. NELSON. Each year—not each year, they wait a couple of years—they examined my books every couple of years at a time.

Senator HUNT. They come out to your place to do that?

Mr. NELSON. That is right.

Senator HUNT. When were they out the last time?

Mr. NELSON. Probably a couple of years ago.

Senator HUNT. Do you remember the name of the gentleman from the Department who was out?

Mr. NELSON. No; I do not.

Senator HUNT. Do you know a gentleman named Kent, K-e-n-t?

Mr. NELSON. I am supposed to call him. Is he a revenue man? This Kent?

Senator HUNT. Yes.

Mr. NELSON. I do not know him, but he is talking with me now in regard to going over—I believe he said 1947 and 1948.

Senator HUNT. When did those negotiations start? When did he call you or you call him?

Mr. NELSON. He called me just the day I think I was getting ready to go to Kentucky to sell my horses.

Senator HUNT. Was that a week ago or a month ago?

Mr. NELSON. That was I guess about the 22d or 23d.

Senator HUNT. Have you been in touch with him on the telephone today?

Mr. NELSON. No, sir; I haven't.

Senator HUNT. Yesterday?

Mr. NELSON. Yes, sir; I was.

Senator HUNT. What did you talk about?

Mr. NELSON. I do not recall what he talked about.

Senator HUNT. Oh, yes; you know what the conversation was.

Mr. NELSON. We didn't talk about anything; only I told him that I was back home.

Senator HUNT. What else did you talk about?

Mr. NELSON. There were two calls. I called in the morning and I didn't talk to Mr. Kent. I do not know who it was I talked to. I told him I was back home and that I would be glad to get together with him at any time that he wanted to after that afternoon. Then in the afternoon Mr. Kent called me. I think I am right on this. I told him that I had received this summons to appear over here in the meantime, this morning, and I guess we had to postpone our business if he planned to do it that morning. He said, "You call me," or something to that effect.

Senator HUNT. Then you have an engagement pending with him?

Mr. NELSON. I am supposed to call Mr. Kent.

Mr. RICE. When you called him yesterday morning where did you get the name and number of call?

Mr. NELSON. I previously called. He called and left the number for me to call, or something.

Mr. RICE. What was it?

Mr. NELSON. What was what?

Mr. RICE. Did he call and leave the name for you? What was the message? What caused you to call him yesterday?

Mr. NELSON. Mr. Kent called and asked me to call. He had called and asked to examine the records and they told him I was in the process of selling my yearlings and as soon as I got back I would give him a ring.

Mr. RICE. This was some time ago that he called about that?

Mr. NELSON. On the 22d, I think it was.

Mr. RICE. On the 22d of what?

Mr. NELSON. The 22d of July.

Mr. RICE. Did he leave his name?

Mr. NELSON. Yes.

Mr. RICE. Was that the first time you had ever heard his name?

Mr. NELSON. The first time I had ever heard it?

Mr. RICE. Was it?

Mr. NELSON. Yes.

Mr. RICE. You never had seen the man?

Mr. NELSON. I do not think so. He said that he had been there before, but I do not remember.

Mr. RICE. When did he say that?

Mr. NELSON. He told me over the telephone; I think it was yesterday.

Mr. RICE. Are you sure he didn't tell you at lunch time today?

Mr. NELSON. I am positive nobody talked to me at lunch time today. I haven't talked to anybody.

Mr. RICE. When he said he had been there, whom did he tell that to?

Mr. NELSON. I believe he told me yesterday he had been there once before. I do not remember the man at all.

Mr. RICE. Let's go back over this now. On the 22d did he talk to you then when he called?

Mr. NELSON. No. He didn't talk to me then.

Mr. RICE. Whom did he talk to?

Mr. NELSON. He must have talked either to the bookkeeper or Mrs. Nelson.

Mr. RICE. What is the bookkeeper's name?

Mr. NELSON. Mrs. Wakeman.

Mr. RICE. Who gave you the message?

Mr. NELSON. Mrs. Nelson.

Mr. RICE. What did she say the message was?

Mr. NELSON. She said Mr. Kent wanted to go over some income-tax returns when it was convenient for me.

Mr. RICE. Did she hand you his name and telephone number?

Mr. NELSON. She gave me a little piece of scratch paper with the name and telephone number.

Mr. RICE. With the extension?

Mr. NELSON. Yes.

Mr. RICE. What did you do?

Mr. NELSON. What do you mean?

Mr. RICE. Call him back?

Mr. NELSON. Yes.

Mr. RICE. What did you talk about, then?

Mr. NELSON. What did I talk about?

Mr. RICE. Yes.

Mr. NELSON. I explained to you that I called him yesterday morning.

Mr. RICE. Let's go back to this time on the 22d when you called.

Mr. NELSON. I didn't call on the 22d.

Mr. RICE. Did you just go away and leave him?

Mr. NELSON. Go away and leave him?

Mr. RICE. You had this message that said Mr. Kent wanted you to get in touch with him.

Mr. NELSON. I may have been gone. I do not know. I am not sure. I may have already gone to Kentucky and got the note when I came back. I think it was the day I was getting ready to go and whoever talked to him told him that I was gone or going or something.

Mr. RICE. They told Mr. Kent that you were going? Somebody told him that? And you just went? You had no contact with him on the 22d? Somebody else did?

Mr. NELSON. I did not talk to Mr. Kent on the 22d.

Mr. RICE. You didn't tell him you were going to Kentucky?

Mr. NELSON. No.

Mr. RICE. How do you know he knew you were going?

Mr. NELSON. I do not know that. Maybe I shouldn't have made that statement. That was the understanding when I got home, that I had been in Kentucky and I would call him when I came home.

Mr. RICE. When did you come home?

Mr. NELSON. Saturday evening.

Mr. RICE. And you had a message there to call Mr. Kent?

Mr. NELSON. That is right.

Mr. RICE. What did you do next?

Mr. NELSON. I intended to call him Monday. I did not know that there was so much to do when I got home. I just did not get cleaned up at all. Tuesday I hunted for the telephone message all day and I couldn't find it. Wednesday morning I found it and called him.

Mr. RICE. That is yesterday?

Mr. NELSON. Yes.

Mr. RICE. You called him in the morning? You called him down at the Treasury Department?

Mr. NELSON. I think it was in the morning. It must have been around—I do not know what time it was. I am sure it must have been before 12 o'clock.

Mr. RICE. What did you say and what did he say?

Mr. NELSON. I didn't talk to him. I told whoever answered the phone that I was back and would get together with him any time it was convenient for him.

Mr. RICE. Then what happened?

Mr. NELSON. Then he called me.

Mr. RICE. About what time?

Mr. NELSON. I imagine around 3 or 4 o'clock; somewhere around there.

Mr. RICE. Was it after you had the subpoena or before?

Mr. NELSON. After I had the subpoena.

Mr. RICE. He called you back at the farm?

Mr. NELSON. That is right.

Mr. RICE. What did he say at that time?

Mr. NELSON. He told me who he was.

Mr. RICE. Who did he tell you he was?

Mr. NELSON. He said he was Mr. Kent.

Mr. RICE. What else?

Mr. NELSON. He said that he had gotten my message, as well as I can remember, and then I told him that I was sorry that I had to inconvenience him so badly, but I just could not help it. He said nothing. I didn't say any more other than that we would have to postpone it until after I finished with you gentlemen over here.

Mr. RICE. You have never seen the man in person?

Mr. NELSON. I do not ever recall having seen the man. He says he has been down there.

Mr. RICE. When did he tell you that?

Mr. NELSON. He told me that yesterday when I was talking on the telephone. He said he had been down there 3 or 4 years ago.

Mr. RICE. He said he knew you?

Mr. NELSON. No. But he said he had been down there. I cannot place the man nor remember ever having seen him.

Mr. RICE. Did you have a conversation with him today?

Mr. NELSON. None whatever.

Mr. RICE. Are you positive about that?

Mr. NELSON. I am positive about that.

Mr. RICE. What did he say he did when he came down there?

Mr. NELSON. He didn't say.

Mr. RICE. Did he say he knew you or talked with you?

Mr. NELSON. He didn't say. I believe he did say he had met me and he said something about the horses. I do not know. I told him what our average was in Kentucky for the horses we just sold.

Mr. RICE. What your average was?

Mr. NELSON. That is right.

Mr. RICE. When did you tell him that?

Mr. NELSON. He and I got to discussing horses.

Mr. RICE. Over the telephone yesterday?

Mr. NELSON. He asked me what kind of luck I had at the sale. I said, "You can call it good or bad, whatever you like."

Mr. RICE. Do you remember testifying this morning that you did not know anybody by the name of Kent; never telephoned anybody by the name of Kent?

Mr. NELSON. It came to me when you talked about the revenue man. I still do not know the man.

Mr. RICE. You had two telephone conversations yesterday, one to try to locate a man by the name of Kent, and one a later conversation in which you were asked how you made out, and you still did not know the name of Kent when you were asked about it this morning?

Mr. NELSON. I still do not know Mr. Kent.

Mr. RICE. Is your memory getting better now?

Mr. NELSON. I am getting awfully tired. I will try to help you with anything I can.

Mr. RICE. I thought maybe you could tell us a little more about this numbers business you got into with Mr. Nowland.

Mr. NELSON. I do not think I can help you any further with that. I wish I could.

Mr. RICE. Has your recollection gotten any better, Mr. Nelson, about Blight Lee?

Mr. NELSON. I told you that I knew Mr. Lee.

Mr. RICE. You said, I think, he visited you on the farm.

Mr. NELSON. He does. He does with his wife and children.

Mr. RICE. The question was whether you had any transactions with Blight Lee relating to the numbers business.

Mr. NELSON. I never had any transactions with Lee.

Mr. RICE. You are absolutely certain of that?

Mr. NELSON. That is right.

Mr. RICE. Did Blight Lee have any connection with Nowland Associates?

Mr. NELSON. I do not know.

Mr. RICE. What was he doing? What business was he transacting with you?

Mr. NELSON. Who?

Mr. RICE. Blight Lee?

Mr. NELSON. I bought a cord of oak for the fireplace, fireplace wood, from him at Christmas. I did not have any oak there on the farm. We wanted some for Christmas. I got a cord of oak.

Mr. RICE. How did you happen to know him?

Mr. NELSON. I do not know how I came to meet the Lee family any more. It has been a number of years back. I think it was through an old friend of mine by the name of Mr. Knott who lived over there close to him.

Mr. RICE. What business is Blight Lee in?

Mr. NELSON. I think he is raising a few chickens and running a little farm down the road over there.

Mr. RICE. The only transaction you have had and which you want this committee to understand you have had with Blight Lee was in relation to a cord of wood you bought from him?

Mr. NELSON. That is right.

Senator HUNT. Mr. Nelson, we will have a staff member accompany you out to your home and if you will turn over to him your account book, the little red book you spoke of, he will see that you get a receipt for it and the committee will return it to you at the very earliest date, so as not to inconvenience you any.

You are now excused, Mr. Nelson.

Mr. NELSON. I am afraid I do not understand what it is you want me to do.

Senator HUNT. Well, we will have a member of the staff—you tell me if you are not hearing—go with you out to your home and you turn over to him a statement of your net worth together with your little account book that you spoke of as the little red book, where you keep yours “ins” and “outs,” as you said. In addition to that, the subpoena that you are now testifying under will hold until such time as the committee releases the subpoena.

Now, is there anything you do not understand?

Mr. NELSON. You expect me to send a statement of the net worth back tonight?

Senator HUNT. Not necessarily, but we would like it just as soon as you can have it prepared. We do want, however, the little red book you spoke of, your “ins” and “outs.”

That is all, Mr. Nelson.

Mr. RICE. Is Mr. Kent here?

I think for the record, Senator, we might indicate that we are interested in talking to Mr. Kent and also Blight Lee and Mr. Nowland, and we have made efforts to notify all of those individuals.

Senator HUNT. Is Mr. John William Lewis in the room, please?

Mr. Lewis, do you solemnly swear the testimony you are about to give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

STATEMENT OF JOHN WILLIAM LEWIS, WASHINGTON, D. C.

Mr. LEWIS. I do.

Senator HUNT. Will you give us your complete name?

Mr. LEWIS. John William Lewis.

Senator HUNT. May we have your address?

Mr. LEWIS. 2204 Fortieth Place NW., Washington, D. C.

Senator HUNT. May we have your occupation?

Mr. LEWIS. I work in the Electrical Inspection Department in the District government.

Mr. RICE. Do you know of a man by the name of Blight Lee?

Mr. LEWIS. Yes, I do.

Mr. RICE. Do you know him personally?

Mr. LEWIS. No, sir; I do not.

Mr. RICE. But you know of him? Do you know him when you see him?

Mr. LEWIS. Yes, I do.

Mr. RICE. On what occasions have you seen Blight Lee?

Mr. LEWIS. I have seen Lee on numerous occasions from a distance. Last year Blight Lee made the statement, which I knew to be a falsehood, from the witness stand.

Mr. RICE. Just try to confine your testimony to the questions that are asked you, Mr. Lewis.

Mr. LEWIS. All right.

Mr. RICE. Do you know a man by the name Nelson?

Mr. LEWIS. No, sir. I never saw Charley Nelson before today.

Mr. RICE. How about Mrs. Nelson?

Mr. LEWIS. Yes.

Mr. RICE. What is her name?

Mr. LEWIS. I know her as Madge.

Mr. RICE. So far as you know she is the wife of Charles Nelson?

Mr. LEWIS. Charles Nelson.

Mr. RICE. You say you work at the District Building?

Mr. LEWIS. Yes, sir.

Mr. RICE. There came a time when you became interested in a numbers operation?

Mr. LEWIS. Yes, sir.

Mr. RICE. As an observer more or less?

Mr. LEWIS. Yes, sir.

Mr. RICE. Tell the Senator about that story. What has happened?

Mr. LEWIS. Last March I employed a private detective by the name of Perry Bonner. He is licensed in Washington, D. C. I wanted him to observe the activities of Blight Lee because I was almost positive that Blight Lee was in the numbers business.

Senator HUNT. Did you do that in an official capacity?

Mr. LEWIS. No, sir.

Senator HUNT. In a private capacity?

Mr. LEWIS. In a private capacity.

Mr. Bonner traced Blight Lee to 1614 Montello Avenue.

Mr. RICE. Can you tell us what you have seen and heard rather than give us his report?

Mr. LEWIS. Mr. Bonner told me that Blight Lee went to 1614 Montello Avenue and he took me there to observe the fact that that was true. Mr. Lee came there in a truck and there was a truck that went

into the place, 1614 Montello Avenue, and two or three other white men went in there.

Mr. RICE. Was that a house, a dwelling?

Mr. LEWIS. Residence.

Mr. RICE. Colored people live in there?

Mr. LEWIS. That is right, colored people.

Mr. RICE. What else did you do?

Mr. LEWIS. Then I decided to watch Blight Lee myself, as he had moved from 2700 June Street to 7226 Livingston Road, in Oxon Hill, Md. I took my car and watched him.

Mr. RICE. What period of time are you talking about?

Mr. LEWIS. April of 1951.

He would leave his house at various times in the morning and when he would get on the main road the man would go from 40 to 50 miles out down to 10 miles an hour. It became a physical impossibility for me to follow him.

Mr. RICE. What was he driving?

Mr. LEWIS. A Studebaker truck.

Mr. RICE. He had been alone?

Mr. LEWIS. Yes, sir.

Mr. RICE. Go ahead.

Mr. LEWIS. So I had gotten some address after I found out I couldn't follow him on the road. I would lose him every time. I decided to watch him from the various place, numbers places that people had told me about. So I went out on Twenty-first Street NE., watched there.

Mr. RICE. Do you know the address out there?

Mr. LEWIS. Yes, sir.

Mr. RICE. What is that?

Mr. LEWIS. Around 12:30 in the day I saw Blight Lee's truck parked there. He went into 432, or the house on either side, 432 Twenty-third Street NE. He would come out and then get into the Benning Road traffic and I would lose him again. I couldn't follow the man. I decided on another course of action that I would start from the top down. So by asking a number of people, I was told that if I would go to North Beach and find out who Madge Nelson was, she would lead me to the house.

Mr. RICE. She would lead you to the what?

Mr. LEWIS. The number joint. So I did that. I found out who she was and I started to watch the farm.

Mr. RICE. Where did you go to in North Beach?

Mr. LEWIS. To Uncle Billy's. This was the first time I ever saw this lady.

Mr. RICE. Yes.

Mr. LEWIS. Then I decided to watch the farm, to find out what transactions went on there.

Mr. RICE. You are speaking now of the Nelson farm?

Mr. LEWIS. Yes, the Nelson farm located at Ritchie, Md. So I took my car and I would park it at various places so that I could see just what was going on there, and I got to learn the routine of the whole outfit.

Approximately 2 o'clock in the afternoon two young girls would come up in an automobile with District dealers' tags.

Mr. RICE. Do you know the license number?

MR. LEWIS. No, I never could get the number, but I do know that a different car, different tags, practically all the time. It was just a physical impossibility to get that close to them.

MR. RICE. Yes.

MR. LEWIS. But like I got behind them one day, a car number 517-696——

MR. RICE. Maryland?

MR. LEWIS. Maryland Ford, followed the girls directly into the farm. So I observed that. That became a daily routine, and——

MR. RICE. About what time would that happen?

MR. LEWIS. About 2 o'clock in the afternoon. Then, of course, you would have to take these people a little at a time, because they are very cagey. So I would move down the road a little bit and I would catch them going past a particular spot on Largo Road. I had heard they were going to North Beach, but I didn't know for a certainty. Then I took them down a little bit further. Eventually until I got them down to Uncle Billy's.

MR. RICE. Who was in the car going down to Uncle Billy's?

MR. LEWIS. Madge Nelson and two young ladies came in this car.

MR. RICE. What car would they go from the farm to Uncle Billy's in?

MR. LEWIS. Ninety percent of the time they would use car 575-813. I never have been able to determine who owns those cars because I have never been able to find a list of the Maryland cars.

MR. RICE. This was a different car from the one they arrived at the farm in?

MR. LEWIS. Yes, the girls came in a car, a beaten-up automobile.

MR. RICE. What make car was the last one?

MR. LEWIS. A black Plymouth.

MR. RICE. You don't know whose that is?

MR. LEWIS. No.

MR. RICE. They would take that from the farm and go to Uncle Billy's?

MR. LEWIS. Yes. When they got to Uncle Billy's, I observed them parking in a particular location every day.

MR. RICE. Where was that?

MR. LEWIS. That was in the lot on Uncle Billy's. Madge and these two girls would get out of the car, they would go into Uncle Billy's, and I guess that would be around 3 o'clock roughly, regular as clock-work. That Madge and the two girls, and they were joined there by another girl and the bartender. The bartender now would drive the car number 575-813, with Madge and the three girls, around to a place called the Ranch House.

MR. RICE. Called the Ranch House?

MR. LEWIS. Yes.

MR. RICE. Do you know the bartender's name?

MR. LEWIS. No, I don't.

MR. RICE. Do you know whether it is McWilliams?

MR. LEWIS. No.

MR. RICE. You wouldn't know it if you heard it?

MR. LEWIS. No, sir.

MR. RICE. Do you know the identity of any of the girls?

MR. LEWIS. No, sir.

MR. RICE. Don't know their names?

Mr. LEWIS. I know them if I see them. I have no way to get this information.

Mr. RICE. I understand. The party of the three girls and Madge Nelson and the bartender would get in another car.

Mr. LEWIS. They would get in 575-813 and they would drive Madge and the three girls around to the Ranch House.

Mr. RICE. What is the Ranch House?

Mr. LEWIS. It appears to be a sort of lodging house, maybe, a cheap summer resort place.

Mr. RICE. At North Beach?

Mr. LEWIS. Yes, off the main road.

Mr. RICE. Yes.

Mr. LEWIS. Well, after following that far naturally I got to know the routine, so from then on in I would pass North Beach until I determined beyond a question of a doubt, satisfied in my mind that was where they were taking the numbers, the Ranch House.

Mr. RICE. What would they do when they left the car at the Ranch House? Would they take anything out of the car?

Mr. LEWIS. One time. I was always under the impression that everybody was watching me and knew that I was watching them, but apparently they weren't. I never got within a block and a half of this place, but one time I did see a box go out about this square, a white box.

Mr. RICE. That came out of the car?

Mr. LEWIS. Back of this car 575-813, yes, sir. After Madge and the girls went into the Ranch House the bartender would routinely bring the car back and park it at Uncle Billy's lot. That threw me off for quite a while. Then after a number of times I got to know what number time was. It varies different days. The bartender would drive this car back to the Ranch House, and another car would follow up, 700-848, bring him back to Uncle Billy's and Madge and the two girls that came with her from the farm would drive back directly to the farm. The other girl apparently stayed in the Ranch House.

Mr. RICE. They reversed their field.

Mr. LEWIS. Yes.

Mr. RICE. Go back to the farm. Then what would happen?

Mr. LEWIS. It was pretty late, you see, and I never did follow them any farther than that. I never did follow the girls to their home because I tried to find out the numbers of the tags. I did get a number at one time that I thought was it, but apparently it wasn't, because this dealer tag proposition is a very serious thing. It is impossible. You run into a blank wall every time in trying to find out who has that particular car.

Mr. RICE. You became convinced beyond any shadow of a doubt in your mind that this was a numbers operation under which numbers were being picked up in the District, taken to the farm and down to Uncle Billy's and to the Ranch House for settling up and then the people went back?

Mr. LEWIS. Yes.

Mr. RICE. What did you do with the information? Did you go to the police?

Mr. LEWIS. Went to see Captain Davidson of the Maryland State Police, and he referred me to the county authorities at Marlboro.

Mr. RICE. What county?

Mr. LEWIS. Prince Georges County authorities.

Mr. RICE. You mean the chief of police?

Mr. LEWIS. Yes, some authority there.

Mr. RICE. About when was this that you went to the police?

Mr. LEWIS. This was about 3 years or so ago. He asked me to write him out a written report in detail.

Mr. RICE. Whom did you see there?

Mr. LEWIS. The chief.

Mr. RICE. Do you know his name?

Mr. LEWIS. Where do you mean, sir, up at Pikesville?

Mr. RICE. The chief at Marlboro.

Mr. LEWIS. Chief Richards.

Mr. RICE. He is the one you talked with?

Mr. LEWIS. Yes, sir. First I talked to a detective by the name of Bond, and he took me to the chief, and we had a big pow-wow over what was actually going to be done, that they knew this man here, Charles Nelson operated, was one of the biggest operators in the East.

Mr. RICE. Who said that?

Mr. LEWIS. Bond said it. The chief said it.

Mr. RICE. Yes.

Mr. LEWIS. Chief Richards and Bond, both of them. They said that they know this man to be in the numbers, Charles Nelson, and Madge Nelson.

Mr. RICE. Then what happened?

Mr. LEWIS. Well, then I gave them what information I had and thought naturally they would try to develop it further. I gave them the numbers of the car, 517-696, 575-813, and 549-938.

Mr. RICE. Did you help them along? Did you go out with them and point out the places?

Mr. LEWIS. Yes; I did. I tried to do everything I possibly could. Went with the detectives.

Mr. RICE. Who did you go out with?

Mr. LEWIS. I went to Detective Bond at first, and I was so anxious to convince anyone in authority that these people were violating the laws of the State of Maryland that I took Bond down to North Beach and told him—we got down there plenty early, and I said, “She will park her automobile there; they will get out of the car and go into Uncle Billy’s and around to the Ranch House.”

She came down that day that Mr. Bond went to the beach in 575813, with three girls; business probably had picked up. She parks the car on Uncle Billy’s lot and went through the same routine.

We followed them around to the Ranch House. So I asked him, I said, “Now are you convinced?” He said “Yes”; they had been working on this case for a period of 6 months, that they knew considerable about this outfit.

After that we came back and he told the chief what I said was true.

Mr. RICE. Were you there when he told him that?

Mr. LEWIS. Yes, oh, yes. And that they were going to lay plans to apprehend these people. They were going to stop them somewhere on the road and all of this stuff. From time to time I would drop down and call them up at various times and say, “What action are you taking on these people?” They would say, “We are watching them.”

Mr. RICE. You say they had you write out a complaint at one time?

Mr. LEWIS. The chief of detectives at Pikesville asked me to write him in detail a report.

Mr. RICE. Did the Prince Georges County police ask you to swear to a warrant or anything like that?

Mr. LEWIS. That was the opinion at one time; that I would swear to the warrant. I told them, if I am there and, you know, have investigated the case like I have, and knowing what I do about it, naturally I would, because I know just exactly what those people do. So, it comes a time where Mr. Perrigo, who is a detective at Marlboro—

Mr. RICE. Prince Georges County police?

Mr. LEWIS. Yes. He and Mr. Bond lay in the woods where I had lain numbers of times to verify this information of in the farm and out of the farm proposition. So, they came back with the same story, said "Oh, yes; 2 o'clock the girls go in," and a few minutes later 517696 follows it. I said, "Now, are you firmly convinced beyond a question of doubt?" And they said, "Oh, no question. We know that. That is true."

So, the day before yesterday they were supposed to make an arrest.

Mr. RICE. Before making an arrest, did they have anything to do with getting a warrant out, a search warrant? Were you there? Did you help?

Mr. LEWIS. No; I wasn't. I was there the day before, and there was quite a discussion as to whether or not they had the legal authority to do this and that, and I told them—

Mr. RICE. Who were the discussers?

Mr. LEWIS. That is the chief and Purdy and Perrigo and Bond. I told them. I said, "Well, you have observed these things, and so do you think that you have reasonable grounds to suspicion these people?" And they said, "Oh, there is no question about it; we know they are in the numbers business. Charley Nelson is one of the biggest men in the East."

As I have told you before, the chief said that, and so did Mr. Bond. Well, that day, I mean—this is, today is Thursday—Tuesday, rather, I didn't go out until late to Marlboro, but I had that morning gotten up at 7 o'clock to watch this car 517696 because they had told me where these people lived; the name is Waitman.

Mr. RICE. What is the name?

Mr. LEWIS. Waitman. Mr. Nelson mentioned them several times. They work on the farm; work in the numbers; they work everywhere. So this car moved about a quarter after 9 in the morning, this car took a roundabout way to the farm. Now, the normal way a person would go to the farm is, I guess, 3 or 4 miles shorter than this, because on this route to the farm you have to go past a road that is deserted, but I followed her anyway to the farm, directly into the farm. This is in the morning, see. When you are on a case like that, naturally you have to make it all, apparently, it looks to me as though you do.

Mr. RICE. Bring us up to any warrant being issued, if you know about it, a search warrant.

Mr. LEWIS. A warrant was issued.

Mr. RICE. They told you they had a warrant?

Mr. LEWIS. Yes.

Mr. RICE. That was for what; what day?

Mr. LEWIS. That was for Wednesday; today is Thursday?

Mr. RICE. Yes.

Mr. LEWIS. That was for Tuesday.

Mr. RICE. That was Tuesday?

Mr. LEWIS. Yes.

Mr. RICE. What happened Tuesday?

Mr. LEWIS. Apparently they missed them.

Mr. RICE. What did happen? What did you see?

Mr. LEWIS. Now Tuesday I didn't see anything of the farm because—

Mr. RICE. They told you they had a warrant to search Tuesday?

Mr. LEWIS. They were going to watch the farm and catch everybody. I stayed away because I didn't want to take a chance on fouling the thing up, because I was positive Madge Nelson knew I was on her. So, I go down to see the chief after number time, 3 o'clock.

Mr. RICE. Tuesday?

Mr. LEWIS. Tuesday, and in comes the detective, and "Nothing happened today."

Mr. RICE. Which detective?

Mr. LEWIS. Mr. Perrigo. He says, "Nothing happened today." And so I just said, "I will bet you my life that the car is at the beach." And, of course, they said, "Impossible."

Mr. RICE. Did they say they had watched the place and hadn't seen anything happen?

Mr. LEWIS. No; nothing happened. So, I take Mr. Bond down to the beach and I said, "There is the car; isn't it? 575813."

And he said, "It is there."

I said, "Now you know where she is."

He says, "Yes." So, somehow or other—

Mr. RICE. How do you account for them having missed the car?

Mr. LEWIS. I couldn't tell you.

Mr. RICE. They didn't give you an explanation?

Mr. LEWIS. No. Maybe they got there too late or something. There is a million excuses to miss it. But the fact remains that the car was at the beach Tuesday. Mr. Bond saw it there and I saw it there. In fact, I took my car right next to it and stopped because I wanted him to make sure. We come back and tell the chief; and, of course, he was all upset and excited about it. He says, "But tomorrow is the day."

Mr. RICE. That is yesterday?

Mr. LEWIS. That is yesterday. So, in order to make sure that they wouldn't miss them yesterday, my brother and I—

Mr. RICE. What is your brother's name?

Mr. LEWIS. Joseph.

Mr. RICE. Joseph Lewis?

Mr. LEWIS. Joseph Gregory Lewis. We went down to Marlboro at 11 o'clock in the morning. We sat around a while, and at 12 o'clock we all go to our places on the road. We covered two out of three. You see, there is a possibility of missing one place.

Mr. RICE. Were you with the officers then?

Mr. LEWIS. I was with Mr. Bond yesterday. My brother was with Mr. Purdy. I know that.

Now, Madge Nelson always came out of the Largo Road, runs into a place called Kearney's Garage. It is a dead end, and here is the highway going down to North Beach. You could set your clock by the fact that she came past from 20 to 25 minutes past 2 every day; no question about it. She did it. But yesterday she comes by at 10 minutes to 3, and I had been up there telling Mr. Bond, I said, "This

thing is hopeless. You will never catch any people today; not this late."

So, she came by at 10 minutes to 3, and they stopped the car. They opened the back of the car, and she had chickens in the back and she had spinach and beets and various vegetables, but I will tell you what they were going to do. They were going down to North Beach—

Mr. RICE. Anything she didn't have in the car?

Mr. LEWIS. Didn't have any numbers, oh, no. But they were going down to North Beach to brew a number stew.

Mr. RICE. Let us not go into that. Then I take it the officers searched the car and they found no numbers yesterday.

Mr. LEWIS. That is right. That was 549938 she came down in yesterday.

Mr. RICE. What car is that?

Mr. LEWIS. That is a green Chrysler. I don't know who owns it. That car has been used occasionally, like I say. They use 575813 better than 90 percent of the time.

Mr. RICE. The girls weren't with her this time?

Mr. LEWIS. Oh, yes.

Mr. RICE. The girls were with her?

Mr. LEWIS. Oh, yes; three girls.

Mr. RICE. Did the officers have the girls identified?

Mr. LEWIS. No; they didn't get the names of the girls.

Mr. RICE. Were you there when they were talking?

Mr. LEWIS. Yes.

Mr. RICE. Do you feel there was a tip-off?

Mr. LEWIS. Well, I am just here to give you what I actually saw. Personally, I feel that some way or other somebody must have known something because of the time element involved. You see, Madge as regular as clockwork got at the beach between 3 and 10 after 3; never later than that. Yesterday she stopped on the road at 10 minutes to 3, a spot where she is normally in at—

Mr. RICE. In your normal observations had there been any chickens or vegetables carried down there?

Mr. LEWIS. Not that I had ever noticed; no, sir.

Mr. RICE. I have no further questions.

Senator HUNT. Thank you. The committee hearing for today is adjourned.

(Whereupon, at 4:10 o'clock, the committee adjourned.)

GOVERNMENT OF THE DISTRICT OF COLUMBIA

METROPOLITAN POLICE DEPARTMENT

Record, as indicated by the records of arrest, of Charles Edward Nelson

Date of arrest	Offense	Complainant	Officer	Pre- cinct	Disposition
Nov. 9, 1917	Cruelty to animals.....	J. E. Thomas	Nails	10	Elected to forfeit \$5.
Apr. 27, 1923	Illegal possession.....	George Fowler	Bauer.....	2	No papers.
Do.....	Transporting.....	O. T. Davis.....	McQuade.....	2	Fined \$125.
June 17, 1924	Transporting whisky.....	Leo Murray.....	Murray.....	9	\$100 or 90 days.
Do.....	Illegal possession.....	do.....	do.....	9	Do.
July 18, 1928	Possession.....	O. J. Letterman.....	Cox.....	1	Nolle.
Aug. 4, 1930	Transporting liquor.....	J. R. Leach.....	Wanamaker.....	1	Do.
Do.....	Illegal possession.....	do.....	Mansfield.....	1	Suspended sentence,
Jan. 17, 1933	Investigation.....	C. D. Cunningham.....	Elliott.....	9	1 year probation.
Feb. 12, 1936	Disorderly.....	J. F. Cooke.....	R. R. Klotz.....	9	Dismissed.
					Forfeited \$5.

NOTE.—At time of arrest in 1930, Nelson gave the address of 1210 Oates St. N.E., Washington, D. C.

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